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REINSURANCE

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THURSDAY, JUNE 30, 1949

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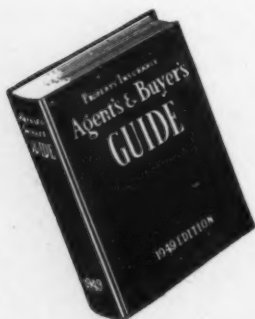
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New IMUA-National Board Investigation Plan Described

Bielaski Tells Mariners of Arson Division Work on Jewel and Fur Losses

A. Bruce Bielaski, assistant general manager of the National Board, addressing the Mariners Club of Chicago last week, described the expanded work of the board's arson division in the field of inland marine investigations. He told in an interesting manner of the work the board is doing on suspicious jewelry and fur losses and emphasized the many problems that this project has encountered.



A. Bruce Bielaski

The arson division has been active in inland marine work only since last October under an agreement between the National Board and Inland Marine Underwriters Assn. which provides that member companies of I.M.U.A. report fur and jewelry losses of \$1000 or more immediately to I.M.U.A. and they are screened and suspicious losses of a sizable nature are passed along to the arson division for investigation. Mr. Bielaski observed that under present plans the important work is not investigation of individual cases, but rather is in the nature of a man hunt for members of hijacking gangs, jewel thieves and burglars. The board is not in a position to follow up on perpetrators of individual crimes, or persons who commit one or two small thefts.

Good Results Reported

Already there are good results to be reported, Mr. Bielaski said. Of three large professional hijacking gangs operating in New York last year, members of two have been sent to the penitentiary and the third gang is now out of commission. The division has had some success in jewelry robberies and property recovered so far is more than twice the money appropriated for the investigation.

However, Mr. Bielaski stated that as the board gets more deeply involved in inland marine loss work, it is beginning to discover how serious the situation is. Jewel robberies in the Miami Beach area during the last winter season totaled \$900,000, of which amount only a fraction has been recovered. Next year, the bureau will have an office at Miami Beach and attempt to apprehend some of the thieves. The policy of the Miami police has been to run known criminals out of town upon arrival, but this does not solve the problem, he said. The bureau wants to put the criminals behind bars and prevent future losses.

Reward Payments a Problem

Mr. Bielaski emphasized that the most serious problem is that of rewards to authorities and persons finding missing property. A bad situation has developed in this line, brought about partly by the companies and partly by corruption in the police forces. In some areas, he

(CONTINUED ON PAGE 21)

N.A.I.C. Faces Big Issues; Start Texas Meet Dec. 4

By LEVERING CARTWRIGHT

SEATTLE—Decision was reached by the executive committee of National Assn. of Insurance Commissioners at its initial meeting here Sunday afternoon to hold the Galveston winter meeting Dec. 4-7 and to schedule an added feature of a day at Houston and the new \$20 million Shamrock hotel Dec. 8.

Commissioner Butler of Texas reported that ample hotel accommodations could be secured for that period. Transportation will be provided for the 50 mile trek from Galveston with arrival at the Shamrock about noon Dec. 8. There will be a tour of the city that afternoon and then a cocktail party, with the Houston companies as hosts.

The executive committee, with Allyn of Connecticut presiding, voted favorably on the proposal of Forbes of Michigan that the life insurance committee be requested to draft a resolution for N.A.I.C. action expressing the attitude of the commissioners on the concurrent McCarran-Celler Congressional resolution for an investigation of life insurance that shall include an evaluation of state insurance regulation. This Congressional resolution was adopted by the Senate judiciary committee and is now before the rules committee of that body, but so far the House has taken no action on it. Mr. Forbes alluded to the fact that New York, New Jersey and Connecticut have already enacted laws to assess life insurance companies so as to produce a total of \$250,000 with which to finance an investigation of private placement loans of life companies, and that a similar measure is pending in Massachusetts.

In view of such an earnest effort on the part of the states to pursue their regulatory role to the utmost of their ability, Mr. Forbes said it is, to say the least, premature for Congress to attempt to tot up the score for or against the effectiveness of state supervision. If and when the states have failed to fulfill their obligations, he said, then it will be time enough for Congress to take action. He said it is important at this juncture for the commissioners to inform Congress officially of how they feel.

Central Office Question

The matter of the future setup of the N.A.I.C. central office was touched on at the Sunday afternoon gathering. Mr. Forbes recalled that when the central office program was ratified at the meeting in December, 1947, the motion provided that the operation should be conducted at Raleigh so long as W. P. Hodges, who was N.A.I.C. secretary, remained in office as North Carolina commissioner. Mr. Hodges has now resigned as commissioner to become controller of Continental Life of Washington and Mr. Forbes said that the fact that a new secretary is to be elected, brings to the front the question of a possible new location of the central office, which has been in charge of John T. Richardson as assistant secretary. Mr. Forbes mentioned New York and Chicago as possible new sites. This problem was then put over for discussion by the commissioners in executive session later in the afternoon.

The hot question of auto finance business was handled gingerly and was passed over lightly despite the efforts of Kavanaugh of Colorado to get the issue ventilated. Larson of Florida, in reporting, recalled that the subcommittee had gathered at New York with representatives of the finance companies and that the latter had submitted a proposed code of ethics. These rules Mr. Larson declared, have much merit. A questionnaire was sent to the various states to develop information on prac-

tices in the auto finance-insurance realm that are objectionable. Replies have been received from 29 states and these were incorporated in the committee's report, which the committee had decided Sunday morning not to release. The committee, Mr. Larson said, decided, merely to report that progress is being made.

Mr. Kavanaugh inquired in an acid way why the matter is being kept secret, "Why," he asked, "don't we find out what is going on. Why keep it sub rosa?"

Mr. Allyn said that so much material had been submitted that further study was needed before recommendations could be made.

FTC Matter Considered

Mr. Larson reported as chairman of the liaison committee with federal trade commission. He recalled that his group had met with FTC members and staff last Dec. 16 and then again May 26. He said that the conference committee of the all-industry committee had asked for a get together with the N.A.I.C. committee at Seattle and hence, Mr. Larson said, he desired to defer giving a full report.

At the instance of Harrington of Massachusetts, the executive committee voted to authorize appointment of a subcommittee to consider revising certain association procedures. He said too often lengthy reports of a technical and involved nature that have important effect on the industry and the public are brought up for action in a hurried atmosphere and before the commissioners have had an opportunity to study or even read the material. He contended that committees should have such reports available for study prior to the meetings. He spoke favorably of the Canadian practice of requiring committee reports to be published in advance.

Mr. Forbes also voiced endorsement of the Canadian practice. He said that the first days at the Canadian superintendents meetings are devoted to hearing industry representatives on matters contained in the committee reports, whereafter the industry representatives are invited to leave the place and the superintendents confer in executive session.

Mr. Larson said that no doubt much can be done to improve procedure but that he would object to any arrangement that would bar industry representatives.

Report on Reinsurance

Downey of California reported briefly as chairman of the subcommittee on reinsurance that had been created at a previous meeting at his instance. He said the committee had been unable to meet earlier than the day previously at Seattle. He said a number of questions deserve study and asked that the committee be continued in existence. He mentioned the question of credits in the financial statements for non-admitted reinsurance, for alien reinsurance, for covers which the reinsurer can cancel at will and for sliding scales of commission when the settlement is to be made at some future date.

At the first general meeting Monday morning, Mayor Devlin of Seattle and Commissioner Sullivan of Washington extended greetings, and Allyn of Connecticut responded. The new commissioners to the number of 10 were introduced and the roll call revealed that 44 states were represented along with two from Mexico and the Canadian continent.

A telegram was read from Cad P. (CONTINUED ON PAGE 7)

Details of Escott Multiple Location Rating Plan Given

N.A.I.C. Hears of Three Way Clash Between N. Y., Mass., and Industry

SEATTLE — The so-called Escott plan that was presented here for handling multi-location risk business provides for application by the rating bureaus of a schedule to the basic average rates for fire, extended coverage and vandalism and malicious mischief insurance on forms 1 and 5 only.

There is a credit up to 5% for premium on full values, applicable only to the extent that credit equal to that for 100% coinsurance has not already been allowed in specific rates used in the calculation of the basic average rates.

The credit or surcharge for acquisition expense and for exposure, spread of risk and effectiveness of management in loss prevention as evidenced by experience, shall be based upon the latest five year experience for fire and the latest 10 year experience for extended coverage, etc., for the class and for the amount. When the number of locations is from 5 to 50, the percentages shall be weighted by 100% of the class record. For 51 to 100 locations the factor is 75% of the class record and 25% of the account experience; from 101 to 200 locations, use 50% of the class and 50% of the account; 201 to 500 locations, use 25% of the class and 75% of the account, and for locations of more than 501, use 100% of the account.

Not Applicable to Whiskey

If the weighted result is 55% there shall be no credit or surcharge. If the result falls below that allow a credit of 1% for each percentage point below. Likewise the surcharge is 1% for each percentage point above 55%.

The maximum credit shall be 35% and the maximum surcharge 200% for form 1. The net average rate for form 5 shall be determined by increasing the net average rate for form 1 by 5% for 100% coinsurance and 15% for 90% coinsurance.

The schedule would not be applicable to whisky business.

M.L.S.O. to Get Rate Aps

It is proposed that M.L.S.O. will receive from members and subscribers applications for average rates and will transmit them to the rating bureaus. M.L.S.O. will secure the specific rate information from bureaus and then compile a statement listing locations, specific rates, values and premiums, with experience data and transmit these to the sponsoring rating bureau. The latter will promulgate for its own staff net average rates by applying the schedule of credits and surcharges to basic average rates. Such rates and copy of its application of the rating schedule to the individual account, will be forwarded to multiple location office which, in turn, will transmit copies of the detailed statement for average rates and application of the schedule to other rating bureaus to enable them to promulgate net average rates for their respective states. Thus identical rates may be promulgated by the rating bureaus in all states adopting this plan, which will permit

(CONTINUED ON PAGE 24)

Tenn. Orders Rate Cut Applied to All Existing Lines

Ruling Abolishes Bureau Regulation Prescribing Short Rate Cancellation

NASHVILLE—Following the hearing here on the issue raised by the Tennessee department's announcement that all existing policies are entitled to receive the benefit of a general fire insurance rate reduction averaging 20%, Chief Deputy Commissioner T. E. Miles issued an order abolishing rule No. 3 relating to "Short Rates and Cancellation of Policies" as published by the Tennessee Inspection Bureau. That rule specifies that if the rate of the new policy is less than the rate of the canceled policy, the cancellation must be short rate, except when the business is written for a new term that is at least as long as that for which the canceled policy was written, in the same company and for at least the same amount. The companies have 30 days within which to appeal the Miles' ruling to the courts.

At the same time Mr. Miles gave to insurers the option of canceling pro rata and rewriting existing business at the new rates effective July 1 or of giving to holders of existing policies a cash refund via the endorsement route. The original announcement seemed to indicate simply that assured would be entitled to pro rata cancellation and rewriting, but the new order seems to be a mandate either to make a refund or to cancel and rewrite all business subject to the rate reduction.

Confuses Rate Adjustment

Mr. Miles stated that rule 3 provides no reasonable means for applying a general rate adjustment and under rule 3, to get advantage of a rate reduction, a specified part of the insurance must be placed with members or subscribers of the rating bureau and this violates the law. He went on to bar the use of short rate cancellation in making adjustments to the new rates.

This confronts the companies with an issue that is brand new, at least in the experience of the oldest timers in the business. Unless it is decided to contest the ruling in court and there is a successful decision there, it will mean that the companies and agents will have to engage in wholesale endorsement work on a very large proportion of Tennessee policies including dwelling contracts. This would be an almost paralyzing task. The burden on the farm insurers and their agents would be particularly heavy.

Follow Company Orders

George L. Goss, manager of Tennessee Assn. of Insurance Agents, in a letter to all members, advises agents to be guided strictly by company instructions in each case to avoid any personal liability falling upon their agencies. Mr. Goss writes, "As a result of the insurance department ruling on June 21, the Tennessee Inspection Bureau has the right of appeal within 30 days following, which means that there is a right of appeal up to July 22. I do not know what further action will be taken by the Tennessee Inspection Bureau, or any individual companies, therefore your officers can only suggest to you that you contact your companies for specific instructions as to cancellation, rewriting or refund procedure as a result of this rate decrease, to be guided strictly by their (the companies') instructions in

Mich. Agents Give Books to College



Shown as a set of property insurance textbooks was presented to Michigan State College are, left to right: John Goodell, Lansing, of the Michigan Assn. of Insurance Agents' education committee; Waldo O. Hildebrand, association secretary-manager; Dr. John A. Hannah, president of the college, and Commissioner D. Forbes of Michigan.

Adjusters Name Kizer President

Lester M. Kizer, Waco, Tex., was elected president of the National Assn. of Independent Insurance Adjusters at Detroit. Others named were: Robert M. Hill, Detroit, executive vice-president; Irving Swain, Evansville, Ind., secretary; and John Roane, Baltimore, Md. Julian Calhoun, Spartanburg, S. C.; Glenn E. Baker, Fort Wayne; H. C. Cunningham, Wichita; R. A. Handley, Dallas, and Arthur E. Campbell Seattle, were elected regional vice-presidents. The 1950 convention is to be held at French Lick, Ind. Ross Whitney, Chicago, presided.

Beagan Named Secretary By National Union Group

Thomas J. Beagan has been appointed resident secretary of all companies by National Union group with headquarters at Philadelphia. He will supervise that city, its suburbs and southern New Jersey. He joined the group as state agent for western Pennsylvania and West Virginia in 1941 and has held that position since then. He was formerly with London Assurance as supervisor of the eastern department.

Mahoney to Spokane Post

James F. Mahoney has been appointed special agent for Scottish Union & National at Spokane, Wash. He will cover eastern Oregon and Washington, Idaho and Montana, assisting C. R. Kerns, state agent.

each individual case to avoid personal liability on your agency.

"If the companies are undecided as to their procedure in the matter of appeal, they have a right to defer their decision until July 22, which would mean, of course, that the agent can do nothing as far as complying with an insured's request for refund until such time as the companies give instructions."

Mr. Goss further brings up the point that while the June 23 letter from the insurance department appears to disapprove a portion of rule 3, no one knows whether this invalidates the entire rule, thus leaving only the short rate cancellation provision of the policy to apply.

S.E.U.A. Approves New Fire Pay Plan

The Southeastern Underwriters Assn. has approved and will file for use of its members in various states where it has jurisdiction a new installment payment plan for term fire business. The plan proposes use of bona fide three and five year term policies.

On a five year policy where the annual premium is \$100, the 3-year charge would be \$256, compared with \$250 if paid in advance, and the 5-year cost would be \$412, compared with \$400. The \$6 and \$12 are not called interest or financing charges but "expenses of handling," or a "term factor."

The \$412 is divided by fire to get an annual premium of \$82.40, the first payment due in advance, the second nine months thereafter, the third a year from that date, the fourth a year later, and the fifth a year later.

The \$256 3-year premium is divided by 3 to get the yearly charge, the first payable in advance, the second nine months thereafter and the third a year thereafter.

Both the annual renewal plan and the installment plan of North America charge 100% of the first year's premiums in advance; thereafter, under the first plan the payments are 80%, and under the second, 78%, with payments under both plans due on the anniversary dates.

The companies under the S.E.U.A. plan would have to reserve for unearned premiums as under regular term policies, but would take credit in assets for the balance, as can be done under the North America plan. There is an attractive reinstatement of loss feature in the new plan.

Richards In Local Agency

R. O. Richards, Indiana state agent for Crum & Forster, has purchased a half interest in the Wilkinson agency of Frankfort, Ky., and will resign his state agency Aug. 15.

With the Wilkinson agency Mr. Richards becomes vice-president and general manager. He started in the field in South Dakota as state agent for Winchester Fire in 1926 and was transferred to Indiana in 1932. His successor in the field will be announced shortly.

Electrolux Fire Set at \$2 Million

NEW YORK—The loss on the Electrolux warehouse in the Bronx, which was destroyed by fire about three months ago, is being settled and will run slightly more than \$2 million, making it one of the largest in the history of New York where a single insured was involved. The insured loss on the building, which was owned by Electrolux, will cost the dozen insurers on the line more than \$400,000, and that on contents about \$1,600,000. There will be some salvage of appliances, though they had to be dug out of the center of the ruins by steam shovel. The steel beams in the structure buckled under the heat and the brick walls caved in. There were three fire resistive buildings involved, housing a great quantity of vacuum cleaners, cleaner hose wrapped in bur-lap, etc., but they were close together and they went up in the same fire. The buildings were unsprinklered.

Alexander Loss Cut By Tug Captain's Headwork

The loss on the Alexander, a \$375,000 towboat owned by the Alexander Shipyard Co. of New Orleans, which sank up to its main deck in the Mississippi river near Bettendorf, Ia. recently, is expected to be considerably less than the original \$100,000 damages estimate. Smart thinking on the part of the captain who beached the ship before it had a chance to sink in the main channel minimized the damage. The boat struck an underwater object which knocked a hole in the hull and water poured in at the rate of 90,000 gallons an hour. The captain cut off the barges and beached. Water rose about six feet high in the engine room.

Home has the principal line on the boat with reinsurance through Marine Office of America. The boat was raised seven hours after it sank and is now enroute to New Orleans for repairs before being put back into service.

Ia. Agents' Directors Urge Auto Tests, Hit Truman Plan

The executive committee and directors of Iowa Assn. of Insurance Agents, meeting at Lake Okoboji, adopted resolutions opposing socialized medicine, urging taxing of cooperatives and action toward inspection of automobiles and examination of drivers.

The resolution expressed concern over high automobile rates resulting from losses and recommended action by the state to require examination of all motor vehicles at least once a year and examination of each driver for physical fitness before issuing driver licenses.

On cooperatives the resolution pointed out taxation of previously untaxed cooperatives offers a partial answer to government's need for additional funds and declared the President's socialized medicine plan is contrary to the American system of free enterprise.

It was reported at the meeting that the Iowa association's membership has reached an all-time high of 520. The former high mark was 517.

Utah-Idaho Blue Goose Installs Bush as Chief

Utah-Idaho Blue Goose installed Alfred R. Bush, Home branch manager at Salt Lake City, as most loyal gander at a picnic in Heber, Utah.

Other officers installed at the picnic, who were elected at a previous luncheon in Salt Lake, are: David W. Evans, supervisor; Carl S. Livsey, guardian; Wallace B. Tanner, custodian; Edward H. Haffner, keeper, and S. Locke Beaman, welder.

Two members awarded M.L.G. diamond pins for 25 years of continuous activity are Elmer Eldredge of Ell-dredge-Montgomery, and Ralph Dyer, special agent for America Fore at Salt Lake.

Ohio C Agains Subrog

The Ohio court of the court of defendants in the Colony Home insured West Central Mrs. Soltz, to recover the of a bow alleging the of the fire that 12, 1944. M the part of the coinsurance. decision had the appeals c for Mrs. Sol a rehearing. One of the er the doctri plied to the e stated that evidence wh not the cou an inference instrumental under the c control of t dent occurre that in the would not ha had been ob

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Ohio Court Rules Against Insurer in Subrogation Case

The Ohio supreme court has reversed the court of appeals and held for defendants in Margery B. Soltz and Home vs. Colony Recreation Center et al. Home insured the building at 2132-54 West Central avenue, Toledo, and paid Mrs. Soltz, the owner, \$178,619. It sued to recover that amount from the operators of a bowling alley in the basement, alleging the operators' negligence caused the fire that destroyed the building Jan. 12, 1944. Mrs. Soltz sued for \$19,899, the part of the loss she sustained under coinsurance. The common pleas court decision had favored Colony Recreation, the appeals court reversed it. Attorneys for Mrs. Soltz and Home will ask for a rehearing.

One of the principal issues was whether the doctrine of res ipsa loquitur applied to the facts in the case. The court stated that "the doctrine is a rule of evidence which permits the jury, but not the court in a jury trial, to draw an inference of negligence where the instrumentality causing the injury was under the exclusive management and control of the defendant and the accident occurred under such circumstances that in the ordinary course of events it would not have occurred if ordinary care had been observed."

Process Generally Used

While the pin finishing process, which was blamed for starting the fire, involved use of an inflammable liquid, defendants argued and the record discloses it has been generally used safely and without mishap in this kind of business for years, the opinion said. There was no threat of serious personal or even property injury involved in its use. Also, fires are of uncertain origin and may result from many causes other than negligence.

As to other issues in the case, "the jury's verdict should have been for the defendants if they were not negligent," and the court held they would not justify reversal of the judgment, even if they were as argued by plaintiffs.

The bowling alleys were owned and operated by Mrs. Mabelle K. Fine, Mrs. Marian M. Friedlander and Mrs. Dorothy Berman, under a partnership agreement.

Circumstances of Fire

At the time of the fire two employees of the bowling alley, James Wood and Preston Curry, were refinishing pins in a small room at the rear of the alleys, using an inflammable liquid, "Pin Life." Neither was experienced in the work, the plaintiffs charged. The room was full of highly inflammable vapors and fumes given off by the liquid, the floor was spotted with wet drippings and dried particles, and an open container of the liquid was on the floor. The room's temperature was between 75 and 80 degrees, so hot that one of the boys was working stripped to the waist. One of the strawboard boards of the room was covered with a heavy accumulation of dried and wet drippings. Affixed to it was a two by four on which the pins were placed to dry. Nailed to the same wall above the board was an emery disk against which the base of the pins was struck after the refinishing liquid had dried, to knock off accumulations at the base of the pins.

Flames Mushroom and Spread

About 4 a.m. immediately after Curry had struck the base of a freshly dried pin against the disk, the boys noticed a small flame on the floor near Curry's foot. He stamped on it once or twice and immediately the flames mushroomed and enveloped the room, then spread rapidly to the adjoining rooms, walls and ceiling and grew to such a conflagration that eventually practically the whole modern building block was destroyed.

Curry escaped with singed hair but Wood was painfully burned.

The alleys and the pin refinishing process being carried on at the time the fire occurred were under the exclusive management and control of defendants, their agents and employees, plaintiffs argued.

Boggs, Boggs & Boggs and Smith, Klein & Klivans, were attorneys for Mrs. Soltz and Home. The firms of Williams, Eversman, Middleton, Leatherman & Black; and Alfred A. Benesch appeared for defendants.

Kansas Storms Leave Hail Writers in Red There

WICHITA—Although hail premiums in Kansas on wheat this year are expected to show an increase over 1948, a series of storms in the south central and western parts of the state, starting April 30 and extending through late June, are expected to leave most if not all of the companies in the red. In some areas two and three hail storms have hit during the period. Many storms are reported bad, and many total losses have resulted. Several severe storms were reported in Oklahoma in the vicinity of Lone Wolf, Weatherford, Kingfisher and Buffalo.

Royal-Liverpool Appoints 3 Assistant Comptrollers in Multiple Line Move

Royal-Liverpool group has appointed three assistant comptrollers. They will assist in the operation of the joint comptroller's division, established in 1947 under James B. Clancy, secretary and comptroller, to combine fire and casualty accounting, statistical and related activities.

David B. Cromie is in charge of general accounting activities; Farrell Oliff, in charge of statistical and tabulating functions, and W. G. E. Thompson in charge of all agency accounting and premium collections. In addition, Luther L. Hansell has been appointed assistant to the comptroller.

Mr. Cromie has been with Royal-Liverpool since 1911, having served until 1921 at the head office in Liverpool. He is third vice-president of Insurance Accountants Assn.

Mr. Oliff in 1921 started in Chicago with Liverpool & London & Globe. He has served in that office and at New York and more recently was superintendent of the actuarial and managerial statistics department.

Mr. Thompson joined Globe Indemnity in 1913, and became chief clerk in

the New York accounting department. He has been superintendent of accounts and collections for the combined casualty companies at New York and more recently of the combined departments countrywide.

Mr. Hansell has been with the group since 1922, having served in various capacities in the New York accounting department. He is executive secretary of Insurance Accountants Assn. and a member of its uniform accounting committee.

Cal. Department Probe Likely

SAN FRANCISCO—It is reported that one of the main targets for the investigation said to be planned by the committee on insurance and financial institutions of the California assembly, in the event the assembly approves the resolution to make that group an interim investigating and study committee, will be the insurance department. The Geddes resolution calls for investigation and study of all phases of the business and according to report Geddes has severely criticized the department, requesting an investigation of its activities against companies, etc. The appointment of the interim committee is assured, with \$30,000 expenses. It will report back in 1951.



HOW ABOUT YOU—WILL YOU BE "STUCK" IF A CONTRACTOR ASKS:

"Fearful of damaging underground conduits and piping while excavating down the center of a street, I shut down my mechanical equipment and order my men to use hand shovels and picks. Regardless of this precaution, a water main is pierced by a pick. Would I have coverage under my Contractors' Liability policy?"

COULD YOU ANSWER HIS QUESTION?

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Eyes Continuing Problems in Adjustment Field

Adjusters have many opportunities to create a good public attitude toward insurance, George W. Lilly, general manager of General Adjustment Bureau, said in a talk before Loss Executives Assn. at Manchester, Vt. A loss adjustment is the merchandise insurers deliver to the buying public through the adjuster, and companies generally today are conscious of the damaging effects on public thinking of any evidence of unreasonableness, delay or the faintest color of a purpose to avoid payment of just claims.

He cited the magnanimity of insurers in the handling of questions in the Texas City disaster. The treatment and the results there will continue to be a monument of trust for the entire business.

He suggested that ambiguities in forms and endorsements undoubtedly will continue to be a problem, but since they are no fault of the policyholder, it seems reasonable to say that interpretations should be prompt and arrived at from a broad position. They should always be justified and defensible and understandable to insured. When the auto insurer and the burglary insurer both deny liability for tires stolen from the premises while detached from the car, their positions were incomprehensible to insured. There was a case of a boat burned in the course of trading it in for a new one, and insurer of boat owner and insurer of dealer each claimed the boat belonged to insured of other company. It belonged to one of them, certainly, and the determination of ownership could have been settled promptly. To the policyholder, insurance is insurance.

He urged cooperation of company loss

men in getting directions to the adjusters promptly, clearly, and understandably. He wondered at the willingness of some companies to "follow the decision of the majority" in a common loss. The adjuster truly is in a dilemma if all companies in a single case offer to follow the will of the majority, but this has occurred and it is not so unusual to have a majority of interested companies so authorize.

Lack of clarity or ambiguity in the phraseology of forms and endorsements are not going to be cleared up completely all at once, but he said it is not unreasonable to presume that the industry can work out a method to resolve such questions promptly with insured and conduct any company disputes behind the scenes.

Goodell Reelected by Risk Research Institute

Harry E. Goodell, insurance manager of Western Electric Co., has been re-elected president of Risk Research Institute.

Other officers for the coming year are: First vice-president, Ernest L. Clark, assistant treasurer J. C. Penney Co.; second vice-president and treasurer, Burton E. Kelley, Ebasco Services, and secretary, Peter Drake, insurance manager W. T. Grant Co.

Carl A. Person, Continental Baking Co., was elected to the board.

N. Y. Bar Meeting

The midsummer meeting of the New York Bar Assn. at Saranac Lake had an insurance flavor with Ray N. Caverly, vice-president of the American Fore group, as general chairman. Thomas Watters, Jr., New York City attorney, donated the cup for the best low gross score for any member of the insurance section, and R. N. Wagner, Assn. of Casualty & Surety Companies, was in charge of the tennis tournament.

F. C. & S. Bulletins at 20 Year Mark

The "Fire, Casualty & Surety Bulletins" in June celebrated its 20th anniversary of publication. The service is used by thousands of local agents throughout the country and is a standard item in insurance libraries and insurance teaching courses.



James C. O'Connor has been editor of the Bulletins for the past 15 years. Mr. O'Connor is nationally known as an authority on fire and casualty policy provisions and the technical aspects of insurance. He is an associate editor of THE NATIONAL UNDERWRITER.

To commemorate the anniversary, the Davis, Bradford & Corson agency of Nashville presented Mr. O'Connor with 20 roses and three shamrocks.

A.H.S. Stead Retires; Ham Heads Dominion Board

TORONTO—Arthur H. S. Stead is retiring as manager of Dominion Board after 40 years of service with that organization and Western Canada Insurance Underwriters Assn. at Winnipeg. He entered the insurance business in Winnipeg nearly 50 years ago, was appointed manager of W.C.I.U.A. in 1909 and for 22 years occupied that position. He moved to Montreal in 1931 to become manager of Dominion Board.

He is a member of the executive committee and past president of Dominion Fire Prevention Assn., a director of Underwriters Laboratories of Canada, and vice-president of National Fire Protection Assn.

A. Leslie Ham, manager and treasurer of Canadian Underwriters Assn. at Montreal since 1935, has been appointed manager of Dominion Board. He entered insurance business in 1924 after practicing law at Winnipeg. From 1929 to 1935 he was western manager of Canadian Surety, resigning to become secretary of Dominion Board and later manager of C.U.A. Edgar C. Duff has become acting manager of the C.U.A., succeeding Mr. Ham. He started as an inspector in the sprinklered risk department in 1922.

Melville, Onderdonk Given New Posts With Columbia

Harry W. Melville has been elected marine vice-president of Columbia Fire of the American group, and John C. Onderdonk has been named vice-president of Columbia.

Mr. Melville has been marine secretary of Columbia and Mr. Onderdonk is a vice-president of Bankers Indemnity.

Royal-Liverpool Merges 3 Companies in Queen, Star

Stockholders of Capital Fire of California, Seaboard, Federal Union, Queen, and Star have consented to statutory mergers of the Capital and the Seaboard into the Queen, and the Federal Union into the Star. All are members of the Royal-Liverpool group. The consolidations became effective June 30. The Queen and the Star took over all assets and all liabilities of the absorbed companies.

George F. Brown & Sons Elects Vice-Presidents

George F. Brown & Sons has elected as vice-presidents Louis W. Biegler and Alan J. Carey of the Chicago office and Albert N. Butler, Jr., of the New York office.

Mr. Biegler has been with Brown & Son since April, 1948. Before that he was fire manager for Atlantic Mutual in Chicago and in the engineering department of Fred S. James in Chicago.

Mr. Carey has been with the firm a year, and had been casualty manager for Englehard & Co. agency at Chicago since 1938. He is a graduate of the University of Iowa and served in the air forces in the last war. Mr. Butler has been in charge of the firm's New York office and formerly was with the Aetna Fire as brokerage manager at New York for seven years. Mr. Butler is vice-president of the Reins Club of New York. He is son of the late Albert N. Butler, vice-president of Corroon & Reynolds.

Gallagher Book on Buying

American Management Assn., 330 West 42nd street, New York 18, has distributed to the insurance division members who purchased it, research report 15. This is a 124-page book by Russell B. Gallagher, insurance manager, Philco, on "Buying and Administering Corporate Insurance."

A few subject headings are management policies; the insurance department; insurance planning and risk analysis; what and how to insure; selection of companies; losses, and reports to management.

The book is ready for AMA members at \$2.50 each. It will be available to non-members on and after Nov. 1, at \$3.75 each.

Florida U. Expands Program

GAINESVILLE, Fla.—University of Florida has announced two new insurance programs to be offered this fall. Insurance courses were formerly given as part of other programs, but they have now been expanded into major programs, one in life insurance and the other in property insurance.



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Government Sabotage City Disasters

Allegations introduced into the suit at Galveston opened the damage suit in 1941. The concrete in it in a bottom so is a wooden caisson been lighted blown out. they opened loading the Texas Seven or eight yards at once evidence as Mr. Cash thought the ing until the was found. concrete stick it could be of wood as had been u bottom. He investigating the blazes apparently v ammonium Korea and

Explosive E

Dr. Melville testified that the first City disaster was caused by a bomb.

Mr. Cash testified that a long time ago foreign countries were concerned with S.S. Ocean shortly after which indicated conflagration have been a This ship monium nitrate Smoke w from a ven place else. dropped a t else down press purpose caused the

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Federal J hearing the siding. Wh months old all of the tation of e that the go case.

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Government Hints Sabotage in Texas City Disaster Case

Allegations of sabotage have been introduced into the Texas City disaster suit at Galveston. As the government opened the defense in the \$200 million damage suit growing out of the disaster in 1947, Joseph Cash, special assistant to the attorney general, entered as evidence a picture of a concrete candlestick, which he said was used for the purpose of starting fires in box cars loaded with ammonium nitrate fertilizer. The concrete stick, found with a candle in it in a box car at New Orleans, was especially constructed with a nail in the bottom so it could quickly be stuck in a wooden car. He said the candle had been lighted but had evidently been blown out. Workmen found it when they opened the car in preparation to loading the fertilizer, also blamed for the Texas City disaster, aboard ships. Seven or eight box cars burned in the yards at ordnance plants destroying all evidence as to what caused the blazes, Mr. Cash explained. At first officials thought the fires were caused by smoking until the crudely-built candlestick was found. Mr. Cash explained that the concrete stick was heavy enough so that it could be quickly jabbed into any kind of wood as effectively as if a hammer had been used to drive the nail in its bottom. He said that the FBI was investigating the fires. He intimated that the blazes were set by someone who apparently wished to stop shipments of ammonium nitrate fertilizer to France, Korea and other occupied areas.

Explosive Expert Testifies

Dr. Melvin A. Cook, professor of chemistry at the University of Utah, testified that it was entirely possible that the fire which set off the Texas City disaster could have been set purposely. He still maintained, however, that the blaze could also have been started by spontaneous combustion.

Mr. Cash, however, hinted strongly that a long range plan to halt ammonium nitrate fertilizer shipments to foreign countries existed. He related facts concerning the explosion of the S.S. Ocean Liberty at Brest, France, shortly after the Texas City disaster, which indicated the possibility that the conflagration in the ship's hold may have been set off by a thermite pencil. This ship was also loaded with ammonium nitrate fertilizer.

Smoke was first discovered coming from a ventilator, he said, and from no place else. It is possible that someone dropped a thermite pencil or something else down the ventilator for the express purpose of starting the fire that caused the explosion.

However, the plaintiff's attorneys who are suing the government, blame the ammonium nitrate fertilizer for the explosion. They contend that the explosion was initiated either by spontaneous means or by lighted cigarettes. They assert the government was negligent in not marking the fertilizer as a high explosive for shipping purposes.

Federal Judge Kennerly, who started hearing the case at Houston, is still presiding. While the case is nearly two months old, the plaintiffs have occupied all of the time up to last week in presentation of evidence and depositions so that the government has just opened its case.

Memphis Crash Loss

The hull of the American Airlines Convair passenger plane that crash landed near the Memphis airport, just missing a high tension wire, was practically a total loss. This type of crash costs around \$250,000. Both hull and liability are insured in Associated Aviation Underwriters. Seventeen passengers were shaken up, but apparently only one or two sustained any particular injuries.

Independents File Auto Rate Change in Michigan

LANSING — A new schedule of automobile rates, substantially lower in some territories for certain coverages, has been filed with the Michigan department by the 17 independent carriers represented by the Michigan Rating Bureau. The group includes 10 resident and seven non-resident carriers.

Under the new schedule, the A-2 classification is abolished. This classification, absorbed in A-1, was for private passenger cars not driven by young persons and limited to 7,500 miles yearly. The carriers reported it difficult to make an adequate check on mileage, so the broader A-1 classification now merely is limited to so-called preferred risks, not using their cars in business and not allowing operation by persons under 25 years of age, including chauffeurs. The class is made to include farmers and clergymen unless they are under the age limit.

New fire, theft and collision rates are reduced on a classification basis instead of a blanket cut, such as the 15% reduction just announced by the National

Automobile Underwriters Assn. No change is made by the independents in the \$25 deductible collision contracts, following the same procedure as N. A. U. R. The reduction is 17½%, however, for A-1 class policyholders in the \$50 deductible category while the decrease is 12½% for A-3 and B policyholders.

Two Minnesota Agents Assns. Hold Meetings

The Lake Region Insurance Agents Assn. of Minnesota has elected Earl A. Craig president. He succeeds C. R. Hewitt of Dorset.

Other officers elected at the annual meeting included Joseph R. Pellikka of Jarvinen & Pellikka agency, Menasha, as vice-president, and L. M. Severeid of Pine River, secretary-treasurer.

A number of Minnesota assn. executive committee members attended the discussions and dinner. Plans are being made for an early fall meeting.

The Minnesota Park Region Insurance Agents Assn. met to hear George D. van Wagenen, general agent and president of Minnesota Fire Underwriters Assn., speak on a public relations program for agents and stock companies.

A round of golf preceded the dinner. The next meeting will be held in September.

Crum & Forster Makes Miller Ind. State Agent

Crum & Forster has appointed Max D. Miller state agent in Indiana.

He will assume the new duties at Indianapolis the middle of July, assisted by Special Agents J. T. Mosier, John C. Wharton, Jr., and R. T. Wheat.

Mr. Miller is a native of the Hoosier state, was graduated from Butler University, and has worked for Crum & Forster in Indiana and Iowa since 1937.

Lindsey & Newsom Expand

Lindsey & Newsom, adjusters, with main offices in Tyler, Tex., have moved each of their three offices to Tyler, Longview, and Lufkin to larger quarters. Recent additions to the staff of adjusters include Wilson Moore at Longview and Robert O. Leath at Tyler. The staff now consists of eight adjusters. The firm was reestablished at Tyler in 1946 upon the return of Ed Lindsey and James L. Newsom from military service.

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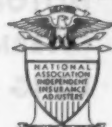
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Three Ind. Field Groups in Session at French Lick

The three Indiana field groups held their annual meetings last week at French Lick, Ind.

John D. Pearson, state agent for St. Paul F. & M. and former Indiana commissioner, was toastmaster at the banquet. Speaker was James Palmer, president of Federal Bar Assn. and special representative of the Department of Justice.

New officers of Indiana Fire Underwriters Assn. are: President, R. O. Hudler, Aetna Fire; vice-president, S. M. Albright, Phoenix of London; secretary-treasurer, Elizabeth S. Cooper. Named to the executive committee were B. H. Peterson, Automobile; Don A. Kaga, Secured F. & M., and John P. Scanlon, Ohio Casualty. The retiring president is E. P. Ressler, National Fire.

Indiana Fire Prevention Assn. elected G. H. Downey, North British, as president; H. W. Montgomery, Ray & Dithmer, general agency of Indianapolis, vice-president, and B. H. Peterson, Automobile, was reelected secretary.

New officers of Indiana Blue Goose were reported last week.

Walter G. Dithmer, public relations manager of Western Underwriters Assn., spoke on public relations developments.

Kansas Agents Hold School

The Kansas Assn. of Insurance Agents voted unanimously to continue offering N.A.I.A. courses during its annual insurance school at the University of Kansas at Lawrence.

Attendance totaled 39, and certificates of merit were awarded at the closing luncheon. Different courses are to be offered each year.

New Insurance V.P. Novel Feature at Lumbermen's Rally

Russell B. Gallagher, the new insurance vice-president of American Management



R. B. Gallagher

Assn., started his career in insurance with Royal as a field adjuster, later becoming special agent for eastern Pennsylvania. After 14 years with the Royal, he joined Aetna Casualty as metropolitan Philadelphia special agent, later assuming management of the survey department and agency supervision in Philadelphia. In 1944 the Philco Corporation appointed him insurance manager. Mr. Gallagher is a director of American Management Assn. and Risk Research Institute, and is a member of Philadelphia Insurance Managers Assn. He is a graduate of Temple University.

Cosby Joins Gould Agency

Harley G. Crosby, for six years state agent in Kansas for Western Fire and Casualty, has resigned to become a partner in the Fred G. Gould Agency at Arkansas City. Mr. Gould was the first president of the Kansas Assn. of Insurance Agents upon its organization more than 25 years ago. Mr. Crosby has been succeeded by Hall Campbell, formerly an examiner in the home office.

Celebrates 70th Anniversary

The F. H. Vorjohan & Co. agency, Reading, O., has just celebrated its 70th anniversary. The agency was started by F. H. Vorjohan and has been continued by his sons. Recently a grandson, Frank H. Vorjohan, joined the agency.

Lumbermen's Mutual added a new feature to its agency advisory council

meeting at the home office at Mansfield, O., last week. A regular quarterly meeting of the board of directors was held as part of one of the agency sessions. The agents were introduced to the directors and were invited to ask questions about the finances, policies and operations of the company. President C. E. Nail, who at the opening session had painted an optimistic picture of the improvement in loss ratios, analyzed the financial statement of the company in detail. P. M. Eliot, president Farmers Savings & Trust Co. of Mansfield, investment counsel and a director of the company, discussed market trends and the business outlook.

In addition to Mr. Nail, D. G. Roth, secretary, S. F. Coffin, vice-president and D. P. Smith, treasurer, gave their reports at the opening session Thursday. Russell Davis, vice-president and agency supervisor, was in charge of the meeting.

Personnel of Council

Following the reports of officers, the department heads conducted discussions with the councilors. They were F. A. Greenwood, assistant secretary, general business underwriting; D. A. Nichols, automobile; W. G. Schultz, engineering; A. H. Benson, accounting, and H. R. Kreisher, supply. The dinner Thursday evening was attended by a number of Mansfield business leaders and featured some very novel entertainment. The session closed Friday, after an outdoor breakfast at the home office and the board of directors meeting, with talks by J. L. Eberly, claim manager, on cooperation of agents and adjusters in losses and J. C. O'Connor, Cincinnati, editor "Fire, Casualty and Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, on the changes in relations between agents and companies. Other outside guests present were Howard Russell, New York, Improved Risk Mutuals, and Philip Baldwin, Washington, secretary National Assn. of Mutual Insurance Agents.

The advisory council this year was composed of J. D. Gurley, Tarrant, Ala.; T. T. Ramsey, Little Rock; C. V. Hyson, Washington; Mrs. E. E. Arnold, St. Petersburg, Fla.; J. M. Solomon, Waycross, Ga.; A. R. Rehling, Richmond, Ind.; T. I. Ball, Louisville; C. C. Carr, Shreveport, La.; H. K. Duke, Cumberland, Md.; W. R. Senf, Muskegon Heights, Mich.; R. A. Boushor, Minneapolis; A. J. Kossman, Greenville, Miss.; W. F. Manson, Desloge, Mo.; G. E. Phelan, Bloomfield, N. J.; F. E. Luellen, Rochester, N. Y.; G. W. Morgan, Winston-Salem, N. C.; W. H. Doty, Shelby, Ohio; B. J. Banks, Tulsa; E. M. Skapik, Clairton, Pa.; R. A. Lenihan, Westerly, R. I.; Claude Littlejohn, Gaffney, S. C.; C. R. Lewis, Tullahoma, Tenn.; R. A. Long, Jr., Wichita Falls, Tex.; R. A. Treake, Jr., White Stone, Va., and Harold Scribner, Stevens Point, Wis.

Holzer Joins Cosgriff

Robert J. Holzer has become special agent for the Ed. P. Cosgriff Co., managing general agents for Glens Falls, Hanover Fire and Mechanics & Traders, at Fargo, North Dakota. Mr. Holzer is a son-in-law of Mr. Cosgriff. He is a native of Moorhead, Minn., and attended Concordia college. For six years he has been with the immigration service as special investigator at San Diego, Cal.

Ala. Bill for Independent Insurance Department Makes Splendid Progress

Without a dissenting vote the Alabama senate committee has reported favorably the bill to set up the insurance department on an independent basis instead of being subordinate to the department of commerce. It is believed that this will be passed easily in house and senate. All that is required in Alabama is a simple majority to override the governor's veto and hence negative action on the part of the governor would not be likely to be fatal.

Presently the insurance department has no jurisdiction of insurance rate regulation, the rating division reporting directly to the secretary of commerce, who is Brooks Glass. L. L. Gwaltney is insurance superintendent.

Neiman-Marcus Sues Nine Insurers for \$80,334

Neiman-Marcus Company, Dallas department store, has filed suit against nine insurance companies for \$80,334, the amount of damage alleged suffered in an explosion Nov. 19, 1948.

Filed in federal court, the suit names Maryland Casualty, which carried the boiler and machinery coverage; Fireman's Fund Indemnity, which carried the plate glass coverage; Royal, which covered contents and building; and the six companies which carried the explosion coverage: United States Fire, Home, North America, Fire Association, Aetna Fire and Springfield F. & M.

The store's attorneys said they did not care what company or companies paid as long as their client collected. The complaint asked the court to order the money paid by the other companies if Maryland should be found not liable.

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N.A.I.C. to Meet in Texas Dec. 4

(CONTINUED FROM PAGE 1)

Thurman, state agent in Kentucky for the America Fore group, and former Kentucky commissioner, announcing that Commodity Credit Corp. had revised its policy and that under the 1949 Tobacco Loan Support program, there would be no reference to insurance in the agreement with the farmer, which means that the tobacco will be stored at the risk of the farmer or the tobacco association, rather than at the risk of CCC. Mr. Thurman and zone 3 had crusaded against the CCC program in regard to insurance, contending that this amounted to a federal insurance operation and on an unlicensed basis. Now apparently it will be up to the borrower to arrange his own insurance protection.

President Larson of Florida appointed White of Mississippi as chairman of the resolutions committee.

Would Widen Investment Field

Mr. Larson in his address urged the association and the industry to give attention to the possibility of making the funds, especially of life companies, available to serve even better the great public good by bringing it to bear in fields where need is greatest and where the public interest will also be served without impairing the security of policyholders. In many states he observed, life companies are confined in their investments to debt instruments.

Mr. Larson urged the assemblage to study the advisability of moving the office of the assistant secretary to a more central location. He said N.A.I.C. will be watching the next step of federal trade commission in exercising its power in connection with mail order insurers and with reference to rules under consideration that may tend to regulate other elements of the business.

He urged even more cooperation between the states and vigilance in conducting company examinations and the use of highly trained examiners. The point should be reached at which every state's examination is so satisfactory that every other state will accept its findings without question.

Much Interest in Rhode Island Case

There was much interest in the Rhode Island Ins. Co., situation, although the issue didn't get into the open. The issue arises because Downey of California secured a court order placing the California branch of Rhode Island in receivership at the same time that a convention examination was in progress. Commissioner Bisson of Rhode Island called a meeting of commissioners of those states in which Rhode Island is licensed. Mr. Downey inquired whether that included California and when Mr. Bisson said that it did not, Mr. Downey stalked from the room. It is understood that Mr. Bisson outlined the situation to the group, that some literature was distributed and that the state officials more or less agreed not to take any independent action or agitate the issue in any way, but to wait for the results of the convention examination.

INTERNAL POLITICS

There was much internal politics, due to the fact that not only is a chairman of the executive committee to be elected but also a new secretary, due to the fact that Hodges of North Carolina is leaving state office, and that this raises the question of the future of the central office and the assistant secretary. Forbes of Michigan is destined to become president, Allyn of Connecticut vice-president. There was considerable sentiment on the part of the southerners in favor of retaining the secretary position below the Mason-Dixon Line. Bowles of Virginia seems to be a strong contender. Some were talking of a compromise, where under Robinson of Ohio would become secretary and the office would be moved to Columbus, which isn't too deep in Yankee country. There was also a move-

ment for Hershey of Illinois, which would mean bringing the office to Chicago.

New York reportedly feels that the logical move is to combine the office of assistant secretary with that of the soon-to-be-enlarged office for valuation of securities at New York. Since New York contributes \$5,000 to the upkeep of the secretary's office, its position is important. There were those that were advocating the election of Malone of Pennsylvania as secretary.

For executive committee chairman Zone 3 is campaigning for White of Mississippi. It is understood he would accept the position on the understanding that it would not be a stepping stone to the presidency for him. Butler of Texas is also mentioned as a possibility for chairman and Kavanaugh of Colorado had supporters. There was even consideration of Sullivan of the state of Washington, despite the fact that he is a past president.

Mutual Benefit H. & A. Status

At the examinations committee meeting Monday afternoon, Dineen of New York reported briefly as chairman of the committee that had been assigned to tackle problems raised in the 1943, 1944 and 1945 examinations of Mutual Benefit Health & Accident. He said innumerable meetings had been held and he submitted two written reports. He recalled that representatives of the examining states went to Omaha in 1947 and the management at that time made certain commitments. Under these, he said, it is contemplated that Mutual Benefit H. & A. will acquire the stock of United Benefit Life, which is owned by individuals. That, he declared, is a big undertaking. Mutual Benefit has a policyholders' committee serving in this connection, United Benefit has a stockholders' committee and N.A.I.C. Mr. Dineen said, should appoint a committee. It is understood that much of the United Benefit stock was originally acquired for about \$20 a share.

The purpose of making Mutual Benefit the owner of United Benefit is to eliminate any question of favoritism in the administration of companies that are operated under one roof. Incidentally Companion Life, just recently organized in New York and which is to be operated by Walter Martineau, who has been a New York deputy, will be wholly owned by Mutual Benefit H. & A. It is understood that United Benefit Life is retiring from New York July 18.

The examinations committee engaged in a tangled discussion of amendments proposed by Zones 2 and 3 to guarantee that any zone in which a company has \$1 million or more in premiums, or if less than \$1 million, if 20% of the company's business is in a zone, shall take part in a convention examination. The final decision was to refer this to a subcommittee. The amendment was pressed particularly by Martin of Louisiana.

There was an extended meeting of the workmen's compensation committee Monday morning with Martin of Louisiana presiding, to consider the report of a subcommittee on expense by size of risk and of an industry committee on interstate experience rating, and also for discussion of the idea of injecting a profit factor into compensation rating. Harrington of Massachusetts insisted that whatever is done on the latter score should be consistent with the profit factor theory that is set up for fire insurance. Downey of California was insistent that a profit factor be introduced and he objected to any move to have the compensation committee relinquish jurisdiction of the matter. The final decision was to defer action and await the outcome of the fire insurance question and then to develop a profit factor that would be consistent with the fire formula.

The expense by size of risk report was previously publicized in THE NATIONAL

UNDERWRITER. The discussion on this centered about the recommendation of the subcommittee, headed by Arthur Bailey of New York, that the studies that are to be made by "representative" companies omit consideration of commissions or claim costs, and that if commission data is desired it be developed by line of business on an individual state basis.

Harrington declared that the study should embrace commissions and claim costs because these constitute the lion's share of the expenses. Mr. Bailey answered that a countrywide survey of commissions would not be pertinent in so far as an individual state is concerned. T. C. Morrill of New York seconded that view, saying that to get commission data countrywide would produce a meaningless hodge-podge of figures. New York, he said, at the proper time intends to issue a call for commission data by size of risk and other states can do likewise. He suggested, however, that the committee might recommend that such state calls be conducted and also might devise a recommended form. Mr. Morrill also suggested that since the study of graduation of expense is being extended to lines other than compensation the project might well be transferred to another committee.

The technical subcommittee of the

uniform accounting committee held an organizational meeting Sunday and agreed to follow a procedure that parallels that of the blanks committee. Proposals for changes in accounting regulations will be received by the committee until Jan. 1 each year. In November there shall be a committee meeting of an "exploratory" nature. At a meeting in April the committee shall perfect its report for submission to N.A.I.C. for action in June. The industry is to be invited to form a committee to become occupied with changes in the accounting regulations. It was also suggested that any questions relating to interpretations of the regulations be submitted to the subcommittee and that the individual states refrain from making such interpretations on their own hook.

James Higgins of New York is chairman of the subcommittee and there is a member from each of the six zones.

E. C. STATISTICAL PLAN

The new statistical plan for extended coverage and windstorm insurance that become operative in several states Jan. 1 got official endorsement of a subcommittee headed by Thomas C. Morrill of

(CONTINUED ON PAGE 10)



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of New York

Organized 1849

New York Fire Insurance Company

Incorporated 1832



Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York 7, N. Y.

Losses paid exceed Three Hundred Fifty Million Dollars

Stellwagen, Vanderbilt Report Germans Buying Much Income Protection

The German economy is recovering rapidly and Germans are buying insurance eagerly, H. P. Stellwagen, executive vice-president of Indemnity of North America, and Franklin Vanderbilt, manager of the New York office, report after returning from a 1500 mile automobile trip through Germany's western zone. Accident insurance is particularly popular because the average man's chief asset is his ability to work. The German is also buying life insurance, though in small amounts, fire insurance and liability.

On the tour, which also included Great Britain, France and Switzerland, the two executives were surveying their company's organization in the U. S. zone. Indemnity of North America for three years has been transacting business in the zone. It consists mainly of automobile, but includes general liability, marine and fire and theft coverages. Dealings have been limited to allied, civilian and military personnel and are conducted on a dollar basis.

Mr. Stellwagen reported that there isn't enough business available to satisfy

all of the German companies. The assigned risk pool, which had been set up in connection with writing compulsory automobile liability in Germany, does not contain a single assigned risk. All risks, regardless of quality, find a market somewhere, Mr. Stellwagen commented.

He called attention to the unique automobile situation in Germany where policies are written for a period of ten years. They are noncancelable by either party, except in the event of loss, and because rates do not reflect current conditions, the companies have suffered severe losses. Efforts are being made to increase rates. Other classes of casualty have developed high loss ratios and rate increases are being considered. The personal accident business is extensive and the record relatively good. The marine loss ratio has been favorable, but fire underwriters are suffering serious losses from fires and explosions in huge industrial plants.

The manager of the German operation for Indemnity of North America is Robert L. St. John and the main office is at Frankfurt with five branches.

William C. Brown has become a member of his father's firm, the Leo R. Brown agency at Des Moines. He is a graduate of Drake University.

Pither Heads New A.F.I.A. Office at San Francisco; Name Toelle at Chicago

Allan L. Pither has been named west coast manager for American Foreign

Insurance Assn. and has opened an office in the Mills building at San Francisco. He has been succeeded as midwest supervisor at Chicago by R. Maynard Toelle.

This is the second ground-breaking assignment for Mr. Pither who opened the Chicago office for A.F.I.A. a little more than a year ago. Mr. Pither graduated from Northwestern University in 1939 and for four years was special agent in Illinois for Bowes & Co. He joined American Automobile as Cook County special agent in 1943.

After navy duty, Mr. Pither went with American Home Products Corp. at New York as assistant insurance manager. He then joined American Foreign in 1947 in the brokerage department at New York.

Mr. Toelle returned recently from one month in the New York head office in preparation for his new job. He entered the business in 1929 with the H. Dalmar & Co. agency in Chicago, became assistant manager of the Casualty department. After army service, he joined Fireman's Fund Indemnity at Chicago until December, 1948, when he went with the American Foreign office there. He is president of the Casualty Underwriters Assn. of Chicago and chairman of the all-industry luncheon committee of the Chicago C.P.C.U.

Cravens, Dargan Co. Make Changes in Aviation Dept.

Cravens, Dargan & Co. announced several personnel changes in the Houston office of American Aviation Underwriters, the aviation group they manage. Rorick Cravens and Kemp S. Dargan will be assisted by J. A. Howse, formerly associated with the group. Edgar Woolsey will replace L. A. Partridge as manager of the aviation department. Mr. Partridge recently joined a local agency in Dallas.

Mr. Woolsey was formerly aviation special agent in Oklahoma and Kansas for American Aviation Underwriters, and recently has been senior underwriter in the home office. He was an air force pilot during the war.

Mr. Woolsey will be assisted by Robert Langdon, who continues as senior field man, J. D. Wise, on accounting and underwriting, LeRoy Hester, on losses and claims, and R. D. McWilliams, aviation special agent for Oklahoma and Kansas.

H. R. Walt Lincoln President

LINCOLN, NEB.—Herbert R. Walt has been elected president of Lincoln Assn. of Insurance Agents. He is also state president. Sidney Poska was named vice-president and W. H. Howey, secretary. Executive committee members are Lawrence Coy and Charles D. Sayre.

The association's \$200 scholarship, administered by the University of Nebraska Foundation, was awarded to Lawrence Donegan, Lincoln, business administration junior.

James Employees Relax

The Chicago office of Fred S. James & Co., was manned by a skeleton force during the annual outing planned by the employees club. The affair was held at the Biltmore Country club near Barrington, Ill. Employees indulged in riding, swimming, tennis, cycling, horse shoes, bowling, softball, eating and entertainment.

Swiss Re. Reports On 1948 Operations

Premium income of Switzerland Re-insurance in 1948 increased by 77,664,327 Swiss francs to a total of frs. 536,284,155. The annual report states that the gradual advance in economic recovery has been apparent in the reinsurance sphere and has favorably influenced operations.

The company as of Dec. 31, had a fire and casualty premium reserve of frs. 179,201,117. The claim reserve was frs. 173,461,270. Capital is frs. 58,000,000.

The report states that satisfactory profits were returned on fire, especially in the United States where results were favorable for the first time after several years; in hail, despite an appreciable loss in Australia, and in marine. All the casualty lines were good except machinery and third party liability.

Swiss Re. closed the year with a profit of frs. 14,814,057. Premiums on fire and casualty lines totalled frs. 1,204,014,733, while losses paid before retrocession were frs. 216,025,272.

Seeks Great Falls Improvement

H. R. Welter, local agent, told the Great Falls Kiwanians that if something is not done to improve fire protection facilities in that town, it is in danger of slipping from class 6 to class 7, which would mean an increase of \$125,000 annually in fire insurance costs to local property owners. The last National Board survey of the town was made in 1937 with another one due soon and Mr. Welter expressed the opinion that the town has slipped so badly since then and will unquestionably fall into class seven. Not only from the standpoint of premiums, but from the standpoint of attracting business to the town and holding the businesses already there, Mr. Welter termed the situation one that should be improved immediately.

FIRE UNDERWRITER

This man has an excellent company underwriting background in Cook County. He also has underwriting experience in all Midwestern states. Pleasant personality. Good following among Cook County brokers.

For more particulars write,

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and all Allied Lines
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A STOCK COMPANY

AMERICAN FIRE AND CASUALTY COMPANY

Home Office

Nation-wide Claim Service

Orlando, Florida

R. W. Spi Chairman Fire of Inc

Rollin W. Spi has been named chairman of the Indiana Fire Insurance Association. Spi, of Indianapolis, was elected to the position at the annual meeting of the association held in Chicago. Spi has been secretary of the association for several years.

Illinois Fire Lang, Hin

The Illinois Fire Insurance Association has elected L. G. Hines, of Chicago, as president and Ray Lang, of Dubuque, as vice-president. Hines was elected to the position at the annual meeting of the association held in Chicago. Hines has been secretary of the association for several years. Lang has been a member of the association for many years.

Plan All-

The regular meeting of the Dallas Insurance Underwriters Association merged with the luncheon of the Dallas Insurance Underwriters Association which opens the election, usually held at the Forest S. Assn. of Insurance "Selling Capital" Alphonso the Southwestern announces that organizations in the merge their all-industry, insurance, investor," v

Mississippi Advance

An advance school will be held at the Mississippi Association of Insurance Agents and Brokers. The school will be held at the University of Mississippi. The school will be held at the University of Mississippi. The school will be held at the University of Mississippi.

W. Spiegel Named Chairman of Merchants Fire of Indiana

Rollin W. Spiegel, vice-president, has been named chairman of Merchants Fire of Indiana, succeeding the late Ralph B. Clark, founder of the company. Robert W. Clark, vice-president and secretary, was elected president. Others elected were George L. Clark, vice-president and secretary; Robert A. McCray, secretary, and Dewey R. Douglas, assistant secretary. Newly elected to the board was Glenn H. McKenzie, Indiana state agent for 25 years.

Of the new officers: Mr. Luckett has been comptroller for 25 years; Mr. McCray auditor for 15 years; Mr. Gamble, manager of the underwriting department for 20 years, and Mr. Douglas, assistant manager of the underwriting department for 14 years.

Illinois Field Club Elects Lang, Hines, Swenson

The Illinois Field Club meeting at Genoa City, Wis., elected Roger A. Lang, Dubuque F. & M., president, L. G. Hines, Ohio Farmers, vice-president, and Ray S. Swenson, secretary.

Principal speaker was K. C. White, general manager of Underwriters Adjusting. He interpreted various business interruption forms and piloted an open discussion. Also present from Underwriters Adjusting were R. L. Brown, St. Louis manager, who read a paper; George Keeley, Davenport manager; and J. S. Wortman, Springfield manager. Also present at the two-day meeting were Lloyd Brown, second vice-president of Loyalty Group and F. Earle Hanley, second vice-president of Dubuque F. & M. V. B. Hartung, Security Fire, was in charge as president.

Lloyd J. Eppler, Firemen's of Newark, reported as chairman of the legislation committee. Members agreed with M. B. Olsen, Northwestern National, chairman of the forms and rules committee, that the club should cooperate with members of the Illinois Fire Underwriters Assn. in the matter of revising forms.

The members signed their names on messages to Mr. Swenson, who is recuperating from an operation and to Ralph Danforth, retired vice-president of Millers National, who is now living in California.

Plan All-Industry Luncheon

The regular September meeting of Dallas Insurance Agents Assn. will be merged with the Sept. 30 all-industry luncheon of the C.P.C.U. convention which opens in Dallas Sept. 28. The election, usually held in September, will be held at the Aug. 25 luncheon, when Forest S. Pearson, president Austin Assn. of Insurance Agents, will talk on "Selling Capital Stock Insurance."

Alphonso Ragland, Jr., president of the Southwest C.P.C.U. chapter, announces that all fire and casualty organizations in Texas have been invited to merge their September meetings with the all-industry luncheon. Roger Kenney, insurance editor of "United States Investor," will be the speaker.

Mississippi Agents Slate Advanced Training Course

An advanced agency management school will be sponsored by the Mississippi Assn. of Insurance Agents at the University of Mississippi July 19-22 with openings still available for agents in adjoining states.

Richard E. Farrer, educational director for the National Assn. of Insurance Agents, will discuss building agency prestige, and J. S. Williams of the Memphis office of Remington-Rand will speak on records and systems. A prominent attorney will delve into the various forms of agency organization, taxation and contracts.

The charge for the school is \$18 per student, which includes the educational materials and lodging in the university dormitory. Clant M. Seay, manager of the Mississippi association, will receive applications for enrollment until July 8 at his office in the Walkhall building, P. O. Box 1136, Jackson.

Problems in Retrospective Auto Finance Rating Plans

The so-called retrospective rating plans in the auto finance field, it is said, are creating many problems due to the fact that they create temptations for the finance interest to resist claims, to duck payment of return premiums, etc., so as to recover as much from the insurance transaction as possible. Usually under these plans the finance interest receives the amount by which the loss ratio betters 80%.

Some finance interests under the orthodox insurance arrangements have abused the insurer by bidding for dealer business through generous treatment of repair bills. The attitude changes, however, under retrospective rating. There the possibility of gain comes from depressing repair costs and holding down all types of payments to assured.

Fire Extinguisher Firms Indicted by Grand Jury

A federal grand jury at Los Angeles has returned an indictment charging four corporations and three individuals with violating the Sherman anti-trust law by fixing prices on the retail sale of carbon dioxide fire extinguishers.

The following corporations were named as defendants in the indictment: Walter Kidde & Co., Belleville, N. J.; General Pacific Corp., Los Angeles; C-O-Two Fire Equipment Co., Newark, New Jersey; American-La France-Foam-ite Corp., Elmira, N. Y.

The indictment charges the defendants with having engaged in a conspiracy to fix the price at which carbon dioxide fire extinguishers are sold to the user and with maintaining arbitrary and non-competitive terms and conditions of sale, and with having submitted identical bids on fire extinguishers to governmental agencies at Los Angeles county.

Charles Butler to Address Minnesota Agents

MINNEAPOLIS—Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, will be the featured speaker at the annual meeting of the Minnesota Assn. of Insurance Agents at Duluth Sept. 30 and Oct. 1.

Under tentative plans, a business session and election of officers will be held the first afternoon and an installation banquet honoring the new officers that evening. Mr. Butler will speak the following morning when another "Stump the Experts" panel will be conducted as at the midyear meeting.

Saturday afternoon, Oct. 1, will be given over to a golf tournament and golfers' dinner.

General Re. Ups Two

William A. Dunbar has been appointed assistant treasurer by General Reinsurance. Another appointment of the group is that of Louis F. Steingraeber as assistant treasurer of North Star Reinsurance. Mr. Dunbar joined the organization after his graduation from Yale in 1929. Mr. Steingraeber has been with the North Star organization for 21 years.

O'Banion in Mountain Field

Fire Association has named Kenneth J. O'Banion as special agent in eastern Washington and northern Idaho. Mr. O'Banion attended the University of Southern California and has had 10 years of insurance work in underwriting and field. His headquarters will be in the Paulsen building, Spokane.

To Discuss Local Board Problems at N.A.I.A. Annual

Local board conferences for the discussion of problems in the operation of local agents' associations will be one of the features at the annual convention of National Assn. of Insurance Agents at the Stevens Hotel in Chicago, Sept. 19-22. With approximately 800 affiliated local boards invited to participate, the conferences will be divided into three city population groups because of diversified activities and interests between the larger and smaller boards. Local board officers have been invited to submit problems for consideration in the forming of the programs. More than 200 advance registrations have been received in N.A.I.A. headquarters, and indications are that the convention will reach a registration of about 2,000 this year.

Condon Succeeds Mahoney

William F. Condon, Republican senator from Yonkers, has been named chairman of the New York legislature's joint committee on insurance rate regulation, succeeding Senator Walter J. Mahoney, Republican of Buffalo. Mr. Mahoney becomes senate finance committee chairman. Mr. Condon is a contractor.

Ellis Takes Over Iowa Business from Morrison

L. E. Ellis & Co., Des Moines general agency, has purchased the Iowa business of Morrison & Co. of Omaha, effective July 1.

Ellis & Co. will assume the responsibility of all Iowa business formerly handled by the Omaha agency and all Iowa Morrison agents will become representatives of the Des Moines agency.

Ellis also secured exclusive Iowa management of Globe & Rutgers in the transaction.

Texas Chairmen Named

Russell R. Trimble, San Angelo, president of Texas Assn. of Insurance Agents, has announced his committee appointments. Chairmen are: Casualty and surety, J. F. Nicolls, Houston; fire prevention, Julius Levi, Houston; rates and forms, George N. Dwyer, Wichita Falls; J. H. Chiles, Jr., co-chairman for marine, Austin.

The aviation committee was discontinued. The casualty and the fidelity and surety committees were combined, with a co-chairman provided for surety, and a co-chairman for marine was added to the rates and forms committee, with the marine committee discontinued.

Highlights in Insurance History



WHEN FIRE INSURANCE MEANT BUILDINGS ONLY . . . Fire insurance had existed for about a hundred years before the companies began in the early 1790s to insure goods as well as the buildings that housed them. The first American Companies to pioneer in this novel undertaking met many difficulties in obtaining proper descriptions of the contents of buildings—the hazardous nature as well as the actual value of the goods. The lack of fixed schedules caused premium rates to vary greatly, and for several years the outlook for this more complicated form of underwriting seemed discouraging. As a fire prevention measure the fire companies gave regular and substantial contributions to the support of volunteer fire companies.

The National Union and Birmingham Fire Insurance Companies, anxious to keep in step with ever-changing insurance conditions, keep their organizations alerted for new ways to serve their customers.

**NATIONAL UNION
AND BIRMINGHAM
FIRE INSURANCE COMPANIES**

PITTSBURGH



PENNSYLVANIA



N.A.I.C. Faces Big Issues at Seattle

(CONTINUED FROM PAGE 7)

New York at a meeting Monday morning. The committee said the revised plan is a big improvement over the previous classification. The new plan provides for experience separated between deductible and non-deductible coverages and breaks down the "other than dwellings" class into the separate groups of non-manufacturing (including apartments, hotels, schools, institutions, office buildings, theaters, warehouses, etc.), mercantiles, manufacturing and highly susceptible risks.

In approving the new plan the committee said that use of single codes for all "highly susceptible" risks, both as to explosion and windstorm hazards, and for all "manufacturing" risks regardless of the degree of explosion hazard, will detract from the usefulness of the loss ratio data for any jurisdiction having different rates for various kinds or degrees of hazards in such single classes. Each state must interpret the data obtained in the light of its own rate structure for those lines.

In any subsequent review of the plan the committee recommended "that consideration be given to providing a further breakdown of the manufacturing class in order to reflect substantial differentials attributable to explosion hazards and to confine the highly susceptible class to risks highly susceptible to windstorm" and "that consideration be given to methods of accumulating long term windstorm experience by homogeneous regional territories in order to provide for catastrophe losses, which do not occur in accordance with any regular pattern of frequency or severity."

William Roembke of Allied Lines Assn. reported that the industry is working on a national rating plan for E.C. and windstorm and hopes to be able to implement the program at the December meeting.

At the meeting of the federal legislation committee Monday afternoon Mr. Scanlon of Old American of Kansas

City submitted a proposed limited licensing bill for mail order insurers under which the company would pay the premium tax and would subject itself to certain other types of regulation but would preserve the right to issue a uniform policy. This, it was decided, should be referred to the legislation committee inasmuch as it didn't involve a federal measure.

MULTIPLE LOCATION ISSUE

After a splendid day on Mount Rainier Tuesday, a four hour session was held that evening on the multiple location service office issue. Here the cleavage between Harrington and Dineen became even more pronounced. The star performer of the evening was Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, who summoned potent arguments in behalf of immediate favorable action on the Escott plan and who injected much emotional appeal in behalf of the agent into the deliberations. He has been acting as mediator in the interest of bringing about action and dissipating the personal considerations that have developed in connection with the problem over the past two years. He was the final speaker and there was no doubt that he had gotten in some telling blows. But after he had finished R. E. Hall of Automobile, E. L. McLaughlin of North British & Mercantile, and Lowell Miller of Hartford Fire, each arose to reaffirm his opposition to the Escott plan and this served to inject as somewhat dampening note.

Earlier speakers included Chase Smith, general counsel of the Kemper companies who provided much sparkling wit in advocating the Escott plan; H. Clay Johnson, general counsel of Royal-Liverpool, who gave a demonstration of poise and keen distinctions in opposing the program; Maynard Garrison, executive vice-president of Fireman's Fund,

who made an earnest appeal for the Escott program as a means of breaking the ice, and John C. Stott, president of National Assn. of Insurance Agents, who endorsed what Mr. Butler had said in fervor.

Following the hearing, the committee went to Mr. Dineen's room to carry on the discussion until far past midnight and this reporter gave up the vigil at 2:30 a.m.

The Washington hosts provided superlative entertainment features and convention facilities. The hotel arrangements were perfect and the machinery was in tip top order. The group for entertainment purposes numbered just about 1,000, and it was handled for cocktails and lavish buffet Sunday evening at the Rainier Club, on the stream-lined ferry, Kalakala for a four hour cruise Monday evening, for the 100 mile jaunt to Paradise Inn in the snow range of Mount Rainier Tuesday this involving the use of some 300 private cars, and the banquet Thursday evening, besides luncheons and tours for the ladies, a ladies banquet, arrangements for baseball games, golf, fishing and attendance at the races. The weather was bracing for which the Seattlites were apologetic, but it enabled the proceedings to be carried on in a brisk business like atmosphere.

Valuation Meeting

The committee on valuation of securities at its meeting Monday morning decided to retain the recommendation in its printed report that Dec. 31 values of securities be required for 1949 annual statements instead of the Dec. 1 quotations that have been used since 1939. L. A. Griffin, executive secretary of the committee, said this will mean that the advance sheets can't be gotten out earlier than Jan. 20-25 instead of Jan. 12 as in the past. Bruce Shepherd of Life Insurance Assn. of America and A. N. Guertin, American Life Convention, referred to problems that the companies will face in the later date. Dineen of New York said he had an open mind on the question but Harrington of Massachusetts insisted that Dec. 31 values are required by the laws of many states and declared "We can't forever disregard the statutes."

Mr. Griffin remarked that the real purpose of the advance sheets is to aid the states in checking company statements rather than to supply the companies with entries and there is nothing to prevent the companies from making their own calculations if they desire to complete their statements at an early date.

There was some whimsical by-play when the question was asked why there should be any problem in view of the fact that prior to 1939 Dec. 31 values were taken. Julius Sackman of the New York department remarked that since then the companies have doubled in size. Mr. Dineen broke in with the quip that such a statement would get Rep. Celler's blood pressure up. The solution might be to cut the companies in two. Whereupon Mr. Shepherd proposed that the statement blanks be cut in half.

Cal. Problem on Assessment

Downey of California asked how the new statutes of New York, Pennsylvania, New Jersey and Connecticut for assessing insurers for the support of a greatly enlarged securities valuation office square with constitutional provisions. It turned out that the California premium and other taxes are constitutional provisions and any change would involve amending the constitution. Apparently other states don't have that problem.

Mr. Dineen said this enlargement is an emergency matter because already 50% of the bonds in life insurance portfolios are private placement issues. Congress has raised the issue of whether the states are equipped to handle this problem. Actually, he said, New York diagnosed the problem three years ago, it devised a legislative approach to the matter and the states are now devising a way to cope with it. The congressmen

who are now agitating the issue be characterized as Johnny-come-latelies. There is no reason for Congress to get its dander up and there is no occasion for apprehension. Gough of New Jersey expressed the hope that other states would follow the lead of New Jersey, New York, Pennsylvania and Connecticut in enacting valuation committee support legislation. Harrington voiced confidence that Massachusetts would act at this session.

John MacArthur, president of Bankers Life & Casualty, flew his own plane, a B25 out from Chicago to Seattle.

Responsibility of Agent Issue in Ohio Suit

A case bearing on the liability and responsibility of a local agent has been brought in common pleas court at New Philadelphia, O., it being Fetter vs. Sherer. Fetter owned a filling station at an intersection at New Philadelphia and he was insured in Mill Owners Mutual Fire of Iowa through Paul Sherer, local agent of Denison. The station was damaged to the tune of \$3,500 when a car crashed into it. Mr. Sherer advised the assured to proceed against the tortfeasor and supposedly told the assured that he could recover any balance of the loss from Mill Owners.

Fetter did recover some \$1,500 from State Automobile of Ohio, the insurer of the tortfeasor, but Mill Owners denied liability on the ground that Fetter's election to sue the tortfeasor destroyed the subrogation rights of the fire company. Mill owners was sustained in that position by the common pleas court and court of appeals and the case was not taken to the supreme court. Fetter is now suing the agent.

Open New Dallas Office

H. L. Davis & Son, San Antonio, have opened an office at Dallas with Arthur L. Smith, formerly special agent of Continental Fire & Casualty in north and east Texas, in charge. Mr. Smith has also served as manager of the automobile department of Republic of Dallas and formerly with D. F. Broderick, Inc., New York. W. E. Berry, Waco, will continue to service east and central Texas. Davis & Son now have offices at Houston, Waco, Lubbock and San Antonio.

H. L. Davis, Jr., and M. C. Heuerman of the general agency have returned from an eastern trip, where they secured the general agency of Stuyvesant for Texas, New Mexico and Arizona.

Fete New Promotees

Loyalty group's Pacific department feted two recently promoted members at a banquet of about 100 associates in San Francisco. The guests were A. E. Stroth, assistant secretary of the fire companies, and Walter E. Mitchell, the department's superintendent of casualty underwriting. Five top company executives made brief speeches.

N. Y. Insurance Society Elects

The Insurance Society of New York has elected L. D. Egbert of Brown, Crosby & Co. vice-president and F. B. Tuttle, vice-president Atlantic Mutual, secretary. New directors are J. E. Bragg, manager Doremus Bragg agency of Guardian Life; R. V. Goodwin, vice president, Fireman's Fund Indemnity; A. F. LaFrentz, president American Surety; C. J. Myers, executive vice-president New York Life; S. T. Skirrow, vice-president Great American; A. J. Smith, president Zweig, Smith & Co. agency, and H. C. Thorn, manager marine department North America.

Albert G. Borden, former 2nd vice-president of the Equitable Life, was re-elected president and Mr. Goodwin vice-president.

Insurance Women of Lincoln, Neb. held their annual picnic supper at the home of Aurelia Plautz. Edna Miller and Miss Plautz reported on the national convention at Miami Beach.



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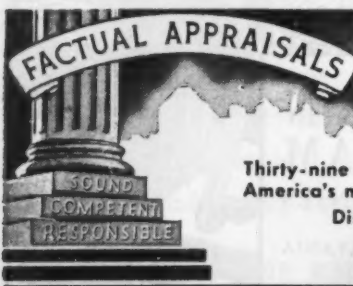
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Kentucky Meet at

H. C. Timford, was named Fire Underwriter state field manager at the meetings at Fremont, George G. Glens Falls, Meeks, state elected secretary the executive son, Tom J. Curtiss B. T.

Walter G. Western U. speaker. He will own a worth of still buys a

Mr. Gibbs commented that the with the F. in fire prev a profitable sent with by the asso

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Four Mi Groups

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Northwe as preside group; vic Northwest treasurer, Minnesota elected as lippi & D Burke, OH urer, Earl Wagenen J. The Blu summer ba

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NEWS OF FIELD MEN

Kentucky Field Groups Meet at French Lick, Ind.

H. C. Timmons, Automobile of Hartford, was named president of Kentucky Fire Underwriters Assn. as the three state field groups held their annual meetings at French Lick, Ind. He succeeds George G. Gibson, Jr. C. M. Hathorn, Glens Falls, is vice-president; R. L. Meeks, state agent F. & G., was re-elected secretary-treasurer. Named to the executive committee were Mr. Gibson, Tom J. Nichol, Aetna Fire, and Curtiss B. Tartar, Home.

Walter G. Dithmer, field supervisor, Western Underwriters Assn., was the speaker. He remarked that while a dollar will only buy about a half dollar's worth of most commodities, a dollar still buys a dollar's worth of insurance.

Mr. Gibson, the retiring president, commented on the year's activities, noting that the association had cooperated with the Fire Prevention Assn. school in fire prevention and found it to be a profitable experience. He was presented with a half dozen silver goblets by the association.

Paul Beattie, New York Underwriters, is the new president of the Fire Prevention Assn. He succeeds Smith Holland, America Fore at Louisville. Shirley Lawrence, Camden, was named vice-president. Charles Kanzinger, Jr., Springfield F. & M., is secretary-treasurer.

George H. Parker, manager of the Kentucky Inspection Bureau, discussed the state fire marshal's efforts to train fire department men by paying the expenses of one fireman from each department to the annual fire school.

Curtiss B. Tartar, Home, was elected most loyal gander of the Kentucky Blue Goose. Henry Timmons, Automobile of Hartford, is supervisor. Others named were R. K. Langan, Great American, custodian; John R. Thomson, Kentucky Inspection Bureau, guardian; Martin Boedeker, Royal Exchange, keeper; and George Stetner, North America, welder. J. Ray Hull, Indianapolis, grand supervisor, addressed the meeting.

Four Minnesota Field Groups Elect Officers

Officers were elected at the annual meetings and outings of four field men's organizations at Gull Lake in Northern Minnesota.

Aside from the business meetings, the two days were given over to indoor and outdoor sports and contests.

Minnesota Fire Underwriters Assn. elected as president Paul B. Olinger, state agent of Agricultural; vice-president, Edward F. Holloran, Hartford Fire; and secretary, R. R. Hayes, Crum & Forster.

Minnesota Fire Prevention Assn. chose as president Robert Belford, London Assurance; vice presidents, Alton Goodspeed, Northern Assurance, and Ted Valine, Phoenix; and secretary-treasurer, H. W. Houd, Loyalty group.

Northwest Bureau Field Club named as president F. C. Erland, Loyalty group; vice-president, S. A. Strand, Northwestern National, and secretary-treasurer, T. J. Burke, Ohio Farmers.

Minnesota Insurance Speakers Club elected as president Carl Philippi, Philippi & Dressel; vice-president, T. J. Burke, Ohio Farmers; secretary-treasurer, Earl Henning, George D. van Wagenen general agency.

The Blue Goose also held its annual summer banquet during the outing.

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Three New Field Men Appointed by American

American has appointed Fred Warnemunde, Jr., as state agent for Oklahoma. He will succeed Rex W. Kendall, on leave of absence until October, when he will retire on the company's pension plan. For the past two years Mr. Warnemunde has been special agent in Iowa. He also has several years experience in agency work and in the underwriting department at Rockford, Ill.

John L. Comstock has been named special agent for American in east central Illinois. He will be associated with State Agent Williams, with headquarters in the Standard building in Decatur. He also has been in the underwriting department at Rockford.

W. Darby Miller was appointed special agent for Iowa, except western Iowa. He will be associated with State Agent Froehner in the Putnam building, Davenport. He was in the marine department for several years and recently was special agent for east central Illinois.

San Antonio Blue Goose Elects McLemore M.L.G.

The Alamo Blue Goose, San Antonio, initiated six new members and elected officers June 20.

P. J. McLemore, Fireman's Fund, was named most loyal gander; Frank Quirk, Quirk & Co., supervisor; M. B. McDonald, American, custodian; Raymond H. Williams, Raymond H. Williams Adjustment Co., guardian; William E. Atkins, Bennett & Atkins, keeper, and Allan Barwise, General Adjustment Bureau, welder.

A life membership certificate was presented to Walter Gallaway, recently retired as the General Adjustment Bureau's general adjuster in San Antonio and a former manager. W. H. Quirk, Quirk & Co., was given a 25-year pin.

Members unanimously approved formation of a national auxiliary and named P. J. McLemore delegate to the grand nest, with Jack Frazier and H. G. Reinracker as alternates. The group also unanimously voted to retain the present pond representation in the grand nest.

Chesapeake Pond Election Attended by 100 Plus

The annual meeting of Chesapeake pond of Blue Goose was one of the largest field gatherings ever held in the area with more than 100 members and guests attending. The activities began in the afternoon with baseball, golf and other sports.

Kenneth S. Carmody, attorney, was elected most loyal gander at the business session. Other new officers are: Supervisor, Michatel O. Dakin of the Riggs, Warfield, Roloson agency of Baltimore; custodian, Charles H. Smith, Jr., General Adjustment Bureau; guardian, John T. Robertson, Jr., Home; keeper, Walter M. Hill, Calvert Fire, and welder, Douglas E. Howie, Hanover.

Tregoning Chosen Head by Seattle Blue Goose

Alvin C. Tregoning, special agent for Security of New Haven, was chosen most loyal gander at the Seattle Blue Goose annual meeting. He succeeded Donald C. Husted of Arthur E. Campbell Co.

The line of officers was advanced, making Lloyd B. Beattie, Home, supervisor; John A. Milot, independent adjuster, custodian; Terry A. Hill, North America, guardian; R. H. McDonald, Gould & Gould, keeper; and E. W. Parks, deputy insurance commissioner at Seattle, welder.

A class of new goslings was initiated

at the business meeting after a morning golf tournament. The Seattle pond won the annual tournament for the A. Z. DeLong trophy. There is a home-and-home series between the Seattle and British Columbia golfers and the second leg will be played in Vancouver some time this fall.

Kansas City F. & M. Names Field Men in Ill., Ind.

Kansas City Fire & Marine has appointed two additional field men. Arthur L. Gundersen, formerly resident St. Louis inspector for National Inspection Co., has been named state agent for Indiana. Prior to 13 years at St. Louis for the inspection company, Mr. Gundersen was with London & Lancashire and Springfield F. & M.

Oscar N. Ehrlich has been appointed special agent for the northern section of

Illinois, assisting William H. Jennings, Jr., state agent. Mr. Ehrlich has been a fire prevention engineer with National Inspection Co. at Chicago for eight years, and previously was in the local agency business there.

Simmerer in Mich. Field

Carl Simmerer has been appointed special agent in Michigan by Fireman's Fund. He will be associated with State Agent Larkin in the Grand Rapids service office. Mr. Simmerer was with Michigan Inspection Bureau for three years.

G. A. B. Moves Chambers

General Adjustment Bureau has appointed Clint C. Chambers, Jr., adjuster in charge at El Centro, Cal. He has been at Los Angeles with General Adjustment since 1945 and has had previous claims experience. He will be associated with Robert E. Romans.

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EDITORIAL COMMENT

Rarity of Understanding

An executive the other day commented that the most important single need of the man who is preparing for increased responsibility is the ability to express himself. This is undoubtedly true—as a man goes up the ladder, his job loses its unicellular character, it becomes complex and of multiplying consequence, and he must get others to wield their influence—to work and to think toward the success of this project, this job, which is his.

To do that, he must bring other people to understand. They must be committed to the same goals, they must understand specifically the daily details that have to be accomplished. There are a hundred calls for the directing force of a team captain, which is the executive. It becomes of the utmost importance that the executive make himself understood, on paper, in informal conversation, and before groups in more formal talks.

It is a constant fight, unless the work is of the most routine character, to keep the objective clear and all parties aiming

for it intelligently aware of what they are doing and must do. Yet time after time, day after day, in office after office, it is apparent that most persons assume that their associates, those working under them, and their superiors know thoroughly what they are talking about, what they are trying to do; in other words, can look into their minds.

As a result of such situations, often there is a great deal of pulling and hauling, of stumbling and fumbling, of annoyance and criticism—most of which would be eliminated if each of the persons made an effort to be sure that he understands and that the person to whom he is speaking or writing understands the plain basic facts. It is not easy to make oneself clear. One has to start by being certain he himself understands the matter and then insist that he be understood. The habit is not impossible to acquire and would have remarkable results.

More mistakes are made because of a misunderstanding of the facts than are due to poor judgment.

Insured Pension Sales Concern All

It is encouraging to note that some of the life insurance companies are taking steps to acquaint all their producers with the strong case which exists for insured pension plans as compared to the uninsured trust fund variety. It is to be hoped that this message can be gotten across to producers of all types, not just to life agents or those who specialize in employee benefit sales, but to brokers, solicitors and agents whose livelihoods lie primarily in the fire and casualty insurance fields.

Probably to the great majority of insurance salesmen of all types the eternal differences in position between advocates of the insurance company, group annuity route for pension funding and the uninsured trust fund method have been largely academic. Today, however, at least a general knowledge of the arguments in favor of insurance company funding is becoming a matter of bread and butter importance for every producer.

On the economic horizon today, there is an era of activity in the pension field greater than any before. The unprecedented preoccupation of labor with pension demands will apply terrific pressure for these benefits upon industries of all sizes and characters. Many enterprises which are not directly subject to

labor coercion in the matter of pensions will still feel the popular impact. There are increasing numbers of employers who, regardless of labor pressures, have come to feel that pensions are desirable.

A figure who becomes of paramount importance in this whole picture is the general insurance man. Most industrial or mercantile establishments place their insurance through one such producer. These are the very establishments that will be installing pension plans within the next two years. The man with the inside track pension-wise is the producer who has placed the other insurance for the employer in question.

Each such salesman should be alerted by the life companies to the fact that his present clients will become prospects for insured pensions within the near future. Then this producer should be equipped with enough information so that he can deliver intelligently a preliminary sales talk for insured pensions. He should be furnished enough knowledge of and faith in the insurance retirement route to more than hold his own against banks and other espousers of uninsured pensions. The men in these latter two categories are already aware of the tremendous possibilities immediately ahead in the pension field and are, in many instances, more alert to

sales possibilities than insurance people.

It is important at this juncture for the insurance people to become more aggressive in the pension field because this is another battle ground in the struggle between insurance and self-insurance, another attempt to write off the agency system as an anachronism. One of the big points made by the advocates of trust funded pension plans is that the employer does not have to pay a commission to the insurance producer. This despite the fact that fees for investment, legal and actuarial counsel necessary for setting up of an uninsured plan can be shown to outweigh the commission to the insurance producer. When advantages of the insurance method are weighed, including the security offered by the insurance carrier, the years of experience in actuarial, investment and administrative matters, the guarantee of payments, freedom

from worry over souring investments and the alert and constant services of insurance men, these and further advantages more than justify payment of the small commission.

Perhaps the key question which the insurance agent should be taught to propose to an employer who is considering installation of an uninsured pension plan is, "Mr. Employer, you are proposing to enter the insurance business for the purpose of this retirement plan. Your consultants, with the possible exception of an insurance-trained actuary, are not primarily insurance men. And, even if they are, the responsibility for guaranteeing payments under a trust funded plan rests with you, the employer. Are you prepared to go into the insurance business and do you think you can better the performances of the great life insurance companies in this field?"

PERSONAL SIDE OF THE BUSINESS

Frederick D. Payne, insurance analyst with the Illinois insurance department, and Miss Alice Stewart of Springfield, were married June 22 in that city. They will make their home at 1030 Fayette avenue in Springfield.

Col. Frank D. Layton, chairman of National Fire, and Mrs. Layton left by plane last Thursday for Switzerland. They expect to visit England to make the return trip by boat leaving July 20. Col. Layton just recently successfully underwent an operation.

Alpha H. Kenna, executive manager of Kansas Assn. of Insurance Agents, made an airplane trip to his old home at McComb, Miss., where he officiated at the wedding ceremony of his niece, Janet Kenna, and remained for a visit with relatives there over the 4th.

Herbert H. Kirschner, San Francisco, public relations counsel for Pacific Board, has been elected president of the Advertising Assn. of the West at the annual convention at Vancouver, B. C.

Earl L. Lisbon, engineer at Hartford, is celebrating his 25th anniversary with Factory Insurance Assn. He joined F.I.A. in 1924 as a draftsman and later became a surveyor and inspector. He was in Philadelphia for a time and returned to Hartford in 1946. He was presented a gold wrist watch at a ceremony in his honor.

Preston M. Bacon of the Wheeler-Kelly-Hagney Agency, program chairman of the Wichita Assn. of Insurance Agents, and Mrs. Bacon are attending the meeting of the International Civitan in Washington. Mr. Bacon is president of the Wichita Civitan Club.

Harrington Putnam, supervisor in Brazil for American Foreign, is in the United States. He has spent some time in the A.F.I.A. offices in Chicago and New York. He will begin a vacation shortly at East Hampton, L. I.

Louis W. Biegler, vice-president in the Chicago office of George F. Brown & Son, has returned from a seven-week visit to England and the continent dur-

ing which he worked with Joseph Hadley & Son, Lloyds brokers at London and met many of the underwriters at Lloyds. Mr. Biegler took three weeks for a vacation tour of the low countries, Switzerland, Italy and France. He reports that the London market is extremely active at present and continues to do all it can to cover the great flood of American business. According to Mr. Biegler, a greater number of London underwriters and brokers have either come to America or are planning visits here than ever before.

Arthur M. O'Connell, vice-president Thomas E. Wood & Co., won the blind bogey with a net of 77 at the tourney sponsored by the insurance golf club of Cincinnati Fire Underwriters Assn.

Adrian W. Hatch of Logan, past president of Utah Assn. of Insurance Agents and now its state national director, has recently undergone two serious major operations in San Francisco. He is at the University of California hospital.

Mr. Hatch has been a consistent leader and able champion of agents' problems. He is also recognized for the work he has done in setting up the Far West Agents Conference.

Robert C. Borwell, vice-president of Marsh & McLennan, was elected a director of the Union League Club of Chicago. Mr. Borwell has served for a number of years as a trustee of the Union League Foundation for Boys Clubs.

H. S. Fetter, Aetna Casualty automobile department at Indianapolis, leaves July 5 to join the Austin & Fosmire agency at Spencerport, N. Y.

Wendell Bonesteel, in charge of the claims department of Hartford Accident at Seattle, recently celebrated his 25th anniversary with the company.

President Morton T. Jones of Kansas City Fire & Marine, and Mrs. Jones, are traveling in Europe this summer accompanied by their daughter, Paula. They will visit France, the French zone

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of Germany, Denmark, Sweden, Norway and England. When in London, Mr. Jones will confer with members of Lloyd's.

Joseph D. Collins, New Jersey state agent for National Fire, completed 25 years of service with the group. He joined National Fire as special agent in Rochester after leaving as a rating inspector with the New York Fire Insurance Rating Office.

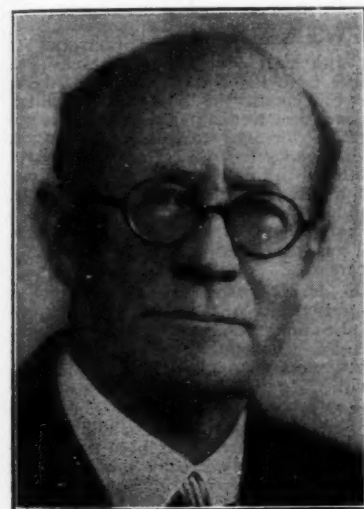
Thomas W. Strange, Jr., 18, son of **T. W. Strange**, general agent of Ohio National Life, Cincinnati, won the metropolitan amateur golf championship there, defeating **Thomas W. Earls**, vice-president of the Earls-Blain Co., regular contender since 1929.

DEATHS

Death Ends Rutter's Long Career in Britain

Sir Frederick Pascoe Rutter, life governor of London & Lancashire, died in England, just four days before his 90th birthday.

He entered the Liverpool College at an early age, then joined London & Lancashire before his 15th birthday. Within 12 years he became chief official



SIR FREDERICK PASCOE RUTTER

of the foreign department and was made chief executive in 1899.

In 1917, while still general manager, Sir Frederick was elected a board member. He relinquished the post of manager in 1921 to assume a newly created post as governor and board chairman. He was succeeded as chairman in 1947 by Sir Arthur S. Rogers and was given the honorary title of life governor in 1948 after completing his 75th year with London & Lancashire.

Lincoln A. Hagerty, 88, retired general insurance broker, died at Oak Forest, Ill., June 21, after an illness of several months. Mr. Hagerty was well known in the Insurance Exchange building, having been in the business for 35 years. He was once with the Chicago Board of Trade and set up an accounting

system that has been adopted and used nationally for 46 years.

Stephen K. Bjornson, manager of the Rain & Hall Insurance Bureau, at Chi-



S. K. BJORNSON

cago, was killed in an automobile accident June 22 at Addison, Ill., while on his way to his home in Chicago from the Medinah Country Club. His age was 59.

Mr. Bjornson had become manager of the rain and hail departments of Springfield F. & M., Aetna, and North America only last January after having served as assistant manager for almost 25 years. He started with the bureau shortly after it was organized as an actuary and special agent and within a few months was promoted to assistant manager. He was a graduate of North Dakota State Teachers College and while attending school during the summer months, adjusted hail losses.

During the first war, Mr. Bjornson was an artillery captain and upon his return he joined the Omaha office of Western Adjustment as manager and later became a general agent in the crop hail insurance business.

Mr. Bjornson and James B. Cullison, Jr., the retired manager of Rain & Hail Bureau, constituted a team of crop hail insurance pioneers. Mr. Bjornson was an expert in his line. He was universally well liked.

Andrew W. Anderson, 75, one of the founders in 1913 of the National Retail Jewelers Mutual Fire and secretary until 1948, when he became chairman, died at his home in Neenah, Wis., after an illness of six years.

Charles Evan Howell, 79, Chicago broker for 40 years, died at his home in North East, Pa., to which he had retired five years ago. Mr. Howell had lived in Hinsdale for a number of years.

William J. Olson, 55, co-manager at Chicago, of London & Lancashire Indemnity for the last three years, died of a coronary attack. He joined the company in 1927. He entered business in 1910 with the Burlington railway and later taught night school, while with the John F. Jelke Co. During the first war he served with distinction as an officer in the army. He then joined the Brinker-

hoff Piano Co. and studied law at night, receiving his degree from Loyola University in 1923. In 1930, he ran for Congress but was defeated.

S. D. Reichelderfer, local agent at Chillicothe, O., died there. Interment was at Lancaster.

William P. Haines, 69, died at his home at Buffalo after a heart attack. He was president of the Laverack & Haines agency, which he organized with the late Howard C. Laverack in 1907. He entered insurance in 1904 as secretary of National Lumber of Buffalo. He was the first president of Excess Underwriters when it was established in 1939 and had been a director since that time.

S. T. McInerney, 43, Iowa special agent of Hartford Accident, died at a Sac City, Ia., hospital after suffering a heart attack while driving his auto.

E. L. Williams, Jr., a member of the E. L. Williams & Co., Houston, agency, died there.

J. Manning Weir, 39, associated with his brother, C. Raymond Weir, in the Memphis agency of C. R. Weir & Co., died after a 10 days' illness.

Harry E. Baker, 52, owner of the Merlin S. Wilson & Co. agency, Fort Wayne, Ind., died there.

W. N. Craig, veteran local agent at Attica, Kans., was found fatally wounded by gunshot in the rest room of his office.

Joseph F. Murphy, 52, casualty insurance claim adjuster for many years, died at the U. S. Veterans Hospital at Wood, Wis., after a lengthy illness. He had worked in Chicago, New York and Milwaukee before going to Sheboygan, Wis., where he became adjuster for Mutual Auto of Town of Herman about eight years ago. In Milwaukee he was with Continental Casualty.

L. Verne Russell, 74, local agent at Adel, Ia., died of a heart ailment. He had been ill four weeks.

Marks 75 Years in Business

L. M. Cutting & Co. celebrated its 75th year as a local agency at Stockton, Cal. It has been operating since 1860, and has represented North British since 1885.

It was Mr. Cutting that North British contacted after the San Francisco earthquake in 1906 to locate the remnants of its Pacific department and finally set up a temporary office at Oakland.

The agency now is operated by Francis Cutting.

Utah Agents Meet July 18

Ogden (Utah) Assn. of Insurance Agents will be host at a regional meeting July 18. Utah Assn. of Insurance Agents and wives will be guests of the agents at Ogden for the meeting, dinner and program. This is the fourth regional meeting since April.

Phoenix-Conn. Names Luce

Charles C. Luce has been appointed state agent for the Phoenix-Conn. group in Arizona. A graduate of the Hartford office, he was located at Los Angeles prior to being transferred to Phoenix. He is a naval veteran.

Ohio 4th District to Meet

The 4th district of Ohio Assn. of Insurance Agents will meet at Dayton, July 6. A trustee of the state association for a three-year term will be named.

Phoenix-Conn. Has Outing

More than 400 members of the home office staff of the Phoenix-Connecticut group enjoyed an outing and field day at Lakeville, Conn.

The program included sports events in the morning, dinner out-of-doors, and dancing in the afternoon. Golf and tennis were available.

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O'Connor Urges Committee to Study Health Needs and Recommend Program

E. H. O'Connor, managing director Insurance Economics Society, suggested to the senate subcommittee on labor and public welfare in Washington this week that it consider the creation of a commission, similar to the Hoover commission, to make a bonafide study of the health needs of the country and to recommend to Congress the best means by which those needs could be met. The complexities of getting one national program molded to fit the needs of the different sections of the country, different family groups, needs far more study

than has been given the problem, he said.

There is more to the health problem than the supply of medical care, he stated. "While health is a national problem, in a sense that all people are affected by it, it is really a combination of layers of regional, local and individual problems sandwiched together. No matter which of these conditions we undertake to improve, we would waste part of our effort if we blanketed the country with a packaged program," he continued.

He pointed out that private plans are doing a superior job to state sickness systems in New Jersey and California and added that insurance companies are successfully competing with Blue Cross and Blue Shield, even though the companies pay a large amount in taxes which the non-profit organizations do not. The insurance companies have a right to compete in this field, he said, where they have demonstrated they can give adequate service. It is un-American to exclude any form of organization in what should be a competitive field, he added.

Cites Protection Survey

He cited figures from a survey, about to be completed for 1948, which shows that 61 million Americans have hospitalization, 34 million have protection for surgical benefits, and 13 million are insured for medical care, while 33 million have disability payments. This latter figure amounts to more than 50% of the labor force, he said, stating that private insurance was making great strides in providing the protection needs of the people. Insurance companies, he declared, are old and well established institutions, and although they do not wish preferential treatment, they certainly do not wish to be excluded. If this bill were enacted, it would to a large extent destroy a volume of group accident and sickness insurance that now exceeds \$400 million dollars in premiums, and which pays back 70 to 85 cents on the premium dollar.

He urged the committee to take a realistic approach to the health problem and said there have been too many wild opinions expressed on the issue.

Alabama Blue Goose Elects

Alabama Blue Goose elected Robert M. Campbell, general agent, as most loyal gander at the annual meeting at Birmingham. L. V. Cante, Alabama Inspection & Rating Bureau, is supervisor; Forne A. Hughes, Pennsylvania Fire, custodian; Malcolm H. Waitt, Springfield F. & M., guardian; C. C. Chandler, Aetna Fire, keeper, and Henry C. Barnett, Hanover Fire, wielder.

Seattle Club Has Outing

The Seattle Blanket Club, young men's insurance organization, held its annual golf tournament and dinner at the Rainier Golf & Country Club.

Stanley Dec of D. K. MacDonald & Co. won low gross honors, while Harold Hughes of the same firm won the high gross prize.

A dinner followed the tournament and Ed Swanson of LaBow, Haynes Co. served as toastmaster. Prizes were awarded the winning golfers.

Surplus Line Group Elects

James E. Moore, W. B. Brandt & Co., Inc., was elected chairman of the Surplus Line Assn. of Washington at the annual meeting in Seattle. He succeeded G. Frank Brown of Newhouse & Sayre, Inc.

Duane Gregg, Edward Brown & Sons, was elected secretary-treasurer and Irwin Mesher reappointed arbitrator.

Credit Clearing Group Elects

LOS ANGELES—Insurance Credit Clearing Assn. has elected these officers: President, John Gurash, Pacific Employers; vice-president, Chester Ross, Swett & Crawford; secretary, H. Everett Charlton, Seyler-Day Co.

The association adopted its revised constitution and by-laws.

119 Insurers Join Rate Cse in Pa.

There are now 119 companies that have entered the action contesting North America's 15% rate deviation in Pennsylvania. A hearing will be held at Harrisburg July 7 by Commissioner Malone. Originally the protest against the filing and the request for a hearing was supported by 52 fire companies, but other stock and mutual carriers have indicated their protest.

A committee headed by John R. Barry, president of Corroon & Reynolds, empowered to conduct whatever negotiations or legal action it may decide necessary, has retained Powers, Kaplan & Berger of New York and Reed, Smith, Shaw & McClay of Pittsburgh.

Extend Restraining Order on Downey in R. I.

The restraining order previously issued by Judge Hartigan in Providence, R. I. against Commissioner Downey of California in the Rhode Island case has been continued until Sept. 19. At a conference of attorneys and the judge, Clarence A. Linn, assistant attorney general of California, indicated that he would amend in several respects the California court order naming Downey conservator of the Rhode Island's property, the amendments having the effect of confining the operation of the California order to that state.

Name McCaskie at Albany

Edgar A. McCaskie has been appointed assistant manager at Albany for General Adjustment Bureau. Mr. McCaskie has been in adjustment work for 30 years. He joined G.A.B. in 1940 and most recently has been senior adjuster at Albany.

Jamison Has New Dept.

Herbert L. Jamison, Jr., has been named to head a separate life, group and pension department of the Herbert L. Jamison & Co., brokerage firm, New York City. Previously the firm did not have a separate department for these lines. Mr. Jamison, son of the head of the firm, has just graduated from the Wharton school.

Uphold Cumulative Bonds

The U. S. Supreme Court denied certiorari in U. S. vs. American Surety, which leaves standing the U. S. appeals court decision holding that post office clerk bonds are cumulative. The case involved a \$2,000 bond on a clerk at the Essex, Conn., post office. The bond was not enough to cover the loss and the government sued. It claimed that the \$2,000 applied each year. The clerk paid \$1.30 (65 cents a \$1,000) for the bond.

N. Y. Marine Claims Group Elects

New officers of the New York Inland Marine Claims Assn., left to right (seated): Joseph Voboril, National Surety Marine, secretary, and Leslie A. Lloyd, Pacific Fire, president. Standing, left to right are James M. Coppins, Hall & Henshaw, vice-president, and George S. Peterson, American Auto Fire, treasurer. The picture is by Mr. Peterson.



Robert Taylor Named as Oregon Commissioner

SEATTLE—Word reached Seattle Monday during the N.A.I.C. convention that Robert Taylor had been appointed Oregon commissioner to succeed Seth B. Thompson, who resigned to become vice-president and director of agencies of West Coast Life. Mr. Thompson undertook to have Mr. Taylor come to Seattle so that he could present him to the group.

Mr. Taylor has been special agent in Oregon for the Crum & Forster group of fire insurance companies for the past five years with headquarters at Portland. He is president of Oregon Fire Underwriters Assn. Previously he was located at San Francisco in the coast department of Crum & Forster. He is 38 years old.

Los Angeles Agencies Merge

The agencies of Miller, Kuhrts & Cox and Pierce & Sibert, Los Angeles, are being consolidated, effective July 1.

Brown Vermont Manager

Warren H. Brown of Rutland, Vt., has been appointed state manager for Vermont by Craftsman. He has been a very successful producer for that company for some time.

NEWS BRIEFS

With the moving of the U.S.F.&G. office from the Dixie Terminal building in Cincinnati, the Joseph T. Dillhoff agency has terminated a continuous operation for 45 years in one location. This agency has always been associated with the U.S.F.&G. and has moved along to the new Sixth street location. Mr. Dillhoff is still active and has his two sons in the agency, Joseph H., who has 30 years of service and Robert M., 19 years.

E. H. Morrison of Van Norman & Morrison, one of the oldest agency firms in Los Angeles, has been presented a plaque commemorating 40 years of continuous representation of the North British group. William A. Connors, local secretary, made the presentation.

Earl P. Marshall of Marshall & Stevens, appraisal firm, has been on an extended trip to company offices in the east and midwest. He has made his headquarters at Chicago and visited Dallas, Philadelphia, New York, Minneapolis and St. Louis. He will attend the convention of American Society of Textile Appraisers at Omaha on his return trip.

San Francisco Women's League has elected new officers: Freda Dunbar, state insurance department, president; Carol Terrill, Glens Falls, vice-president; Lillian McDermott, Maloney & Maritzen, secretary; and Hadie Nieland McVay, Phoenix-Connecticut group, treasurer.

National Indemnity of Omaha has been admitted to Oklahoma with Leonard A. Reitz of Tulsa as state agent.

WANT ADS

AVAILABLE

2 private offices, recept. rm. \$147.
1 private off. large work space \$25.
1700 sq. ft. 4 private offices.
Real deal to right tenant.

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RALPH W. APPEGATE & CO.
Agents State 2-9200

FIRE UNDERWRITER WANTED

for Cook County territory by aggressive fire insurance company. Man capable of assuming responsibility for fire underwriting in Chicago branch. Opportunity for advancement. 30 to 35 preferred. In reply give experience and age. Address U-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

COOK COUNTY SPECIAL AGENT

by Chicago branch of well established fire and casualty group. Under 35 preferred. Excellent opportunity. In reply state age and qualifications. Replies strictly confidential. Address U-91, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.

State Agent for New Mexico wanted by one of the largest and oldest Texas companies. Must be experienced in Mountain States Territory, preferably living in New Mexico at present. Address V-2, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

COMPANY WANTED

by experienced licensed adjuster (fire, inland marine, casualty, comprehensive, etc.) located up-state New York. Also interested special agent or direct writing proposition. Write U-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT AVAILABLE

Man with 12 years' experience as Cook County Special Agent, Fire, Marine, Casualty. Trained at Home Office of Hartford, Connecticut Company. Seeking opportunity in Chicago area with Stock Fire or Casualty Company. 37. Married. College. Address U-96, care The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

INLAND MARINE LOSS MAN WANTED

Opportunity for experienced young man to handle marine claims in Western Department of stock company located in Chicago. Replies strictly confidential. Address U-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OHIO STATE AGENT

For aggressive stock fire insurance company. Western Department officer of company to interview applicants in Columbus, Ohio the second week in July. Our employees know of this ad. Replies confidential. Address U-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITING MANAGER

Substantial Middlewestern fire company seeking experienced Underwriter of unusual promise capable of rapid development into staff position as Underwriting Manager. Under 40. Address V-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Methods of Mail Order A. & H. Regulation Analyzed

An extremely comprehensive analysis of the general subject of regulation of mail order accident and health insurance, prepared by George H. Kline, insurance research analyst of the New York department, was submitted to National Assn. of Insurance Commissioners at the Seattle meeting by Superintendent Dieneen of New York. Mr. Kline is now in Europe for the department. He took up all of the various proposals that had been advanced for handling the mail order problem, both from the constitutional and legal angle and from the standpoint of their applicability in practical operation. There is also a summary of what has been done by the states in the way of regulation of A. & H. business generally.

As an introductory feature, Mr. Kline takes up two advertisements of mail order insurers and then presents an analysis in three parallel columns headed: "The Advertisement Says," "The Policy Reads" and "Actually." He says that the bearer of such a policy could have discovered these facts by an examination of it but in most cases the policy is "put away" unread, or misread. "Failure of policyholders to examine and understand their contract is an expensive luxury in all cases; it is completely foolhardy when dealing with an unlicensed company, but is extensively indulged in by informed and uninformed buyers, either through laziness, inability to comprehend the language of the contract, or through a sense of confidence in the integrity of their insurers," he said.

Little Department Can Do

As matters now stand, there is very little that the department can do about complaints on policies of this sort. The correspondence can be referred directly to the company concerned, the policyholder may be told to write the commissioner of the state of domicile of the insurer, or the department receiving the complaint may forward it directly to such insurer. He said the latter course is often followed, since it renders a certain amount of service to the policyholder.

Mr. Kline emphasizes that there is nothing inherently harmful or immoral in the sale of insurance by mail and that there are many mail order companies whose practices are highly commendable and comparable to those of the best authorized insurers. There are others, however, which are a disgrace to the business, he said. In his examination of proposals for regulation, he calls attention throughout to the desirability of at least some degree of selectivity, so as not to harm the companies which are operating along proper lines.

Characteristics of "Bad Actors"

Among the characteristics of companies "which have earned general condemnation" he lists:

—Specialization in A. & H., hospitalization or (sometimes) life policies of an extremely limited type issued for small premiums, e.g., \$1 per month, a penny a day, etc.

—Flamboyant advertising which, if not actually fraudulent, is deceptive and misleading, aimed at the most gullible portions of the insurance buying public.

—Financial resources inadequate for the volume or character of the business written.

—Loss ratios so low and expense and profit ratios so high as to indicate an inferior product, although ratios of this type may also reflect exceptionally good underwriting or favorable economic conditions.

—Sharp claim practices, e.g., refusal to answer or acknowledge claims, tender

of "compromise" offers obviously not in accordance with the policy terms, undue reliance on technicalities written into complicated policies.

—Avoidance of customary sales methods (such as use of established agencies) and utilization of large scale direct mail campaigns.

—Difficulty in securing operating and financial data concerning such insurers through reputable private insurance reporting agencies.

Amount Involved Is Small

As a matter of fact, the amount of business involved in mail order operations is apparently very small. Mr. Kline estimates that business written by mail order companies in 1947 amounted to only 6.4% of the individual A. & H. premiums for that year and probably much less than half of that was written by irresponsible insurers. He says the problem which these carriers create is out of all proportion to their number or the amount of business which they transact.

He points out, also, that more extensive regulation will not automatically bring reform. "There are always some who will take the chance of getting caught and making their peace under any regulatory system. Their hope of reward is stimulated by existence of a certain 'sucker' element in the public who succeed in being fooled despite every governmental effort to protect them."

The problem is by no means a new one and has faced the insurance commissioner since the 1880s when "a committee on underground insurance" was appointed to deal with it.

Prospective Remedy Best

In a general discussion of the problems involved, it is suggested that regulation of a prospective character would be the most desirable as it would serve to prevent recurrences of the same practices by the same company at a future date. The remedy should be one which the insurance commissioner can utilize on his own motion. To force the insurance commissioner to wait until a policyholder realizes that he has been defrauded will be to permit a fraudulent company to "milk" the public until such time.

There have been proposals that the state make certain acts by an unauthorized insurer a felony under the criminal laws, but Mr. Kline finds a number of disadvantages in such proposal, including the question of extradition of an offender, the slow and cumbersome procedures under the criminal law and the fact that it is not selective.

Proposals to require every mail order insurer to be licensed in every state where it is doing business, which have already been adopted in some states, Mr. Kline says, would appear to offer an efficient method of dealing with the problem. However, the method is not selective and would bring about the same protests that were raised against the Hobbs bills in Congress.

Hard to Get Uniform Legislation

Furthermore, he says, this method has the serious practical disadvantage of requiring the passage of what amounts to uniform state legislation regarding mail-order insurers. Experience has demonstrated that securing the adoption of any uniform law, no matter how meritorious, is a slow process. To make it workable, the plan must be adopted by the 48 states and the District of Columbia. Failure of only one jurisdiction to pass the statute would be to offer a haven of

(CONTINUED ON PAGE 22)

Medical Care Is Costly; Worth Price

Fishbein in Cleveland
Talk, Lauds Progress
Made in Voluntary Plans

Health is a topic of major discussion in the United States not because medical science is inefficient but because it is so good that everyone wants easy access to it. Dr. Morris Fishbein, editor of the "Journal" of American Medical Assn., told National Assn. of A. & H. Underwriters in speaking at its Cleveland convention on "Health and Social Security." Dr. Fishbein emphasized that while the trustees of A.M.A. recently directed that he avoid controversial topics of this character, they specifically authorized this speech, which represented the status reached at Atlantic City earlier in June, perhaps as "a recognition of the importance of this meeting and the significant place your group holds in determining the ultimate fate of plans for medical care in the United States."

Higher Cost Due to Evolution

The situation that confronts the American people in the question of health care and its costs did not arise from any sudden catastrophe or economic disturbance, he said. It developed in an evolution in our way of life that has been going on since the turn of the century. When medical care was simply a quick diagnosis with a few questions and a prescription, no one worried much about the cost. As the science advanced, the technic of diagnosis has become a highly complicated and costly procedure. New techniques have been developed which have saved millions and millions of lives.

New Technics Are Costly

In the early stages of their development these drugs are costly. At the same time comes the creation of a tremendous demand for the new drugs which in their early stages may be well beyond the ability of most people to pay. He pointed out, however, that these costs drop rapidly as the drugs are put into more general production. He cited three 1946 bills of \$600, \$700 and \$400 respectively in cases representing the use of penicillin for 10 days and said that today those bills would be less than 10% of what they were then.

He cited the advances made in promoting the health of the American public and said that modern medicine is worth far more than that available to the American people 25 years ago; it is worth more and it costs more. Its quality is in proportion to the progress of knowledge gained through research.

Voluntary Insurance Meets Test

Dr. Fishbein said the basis of medical progress is the trial of technics under controlled conditions, and the establishment of conclusions when sufficient valid evidence has been assembled. By this technic, he said, voluntary insurance of hospital and medical costs "continues to grow at a rate unprecedented in any field of insurance, and voluntary insurance has now an opportunity to prove that it can fulfill the needs of the vast majority of people, at least in the United States."

He pointed out that more than 52 million people now are covered with insurance against the costs of hospitalization, about 32 million in Blue Cross plans and 20 million in the plans of private insurance companies. Perhaps as many as 20 million are covered against costs of medical and surgical catastrophes and well in excess of 13 million are

(CONTINUED ON PAGE 22)

A. & H. Association Changes Name to "International"

Stumpf Succeeds Gregory
as President at
Cleveland Convention

By JOHN C. BURRIDGE

CLEVELAND — The newly designated International Assn. of A. & H. Underwriters at its annual meeting here elected Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., as president to succeed Eugene F. Gregory, Business Men's Assurance, Denver. The association celebrated a year of unusual activity and capped the proceedings by adopting three major constitutional changes and selecting Detroit and Dallas as convention cities for 1950 and 1951.

Mr. Stumpf, who was first vice-president last year, will serve with John B. Lambert, Mutual Benefit H. & A., Cleveland, as vice-president, and Carl A. Ernst, North American Life & Casualty, St. Paul, as treasurer.

D. Stuart Walker, Mutual Benefit H.



C. B. Stumpf



E. F. Gregory

& A., Philadelphia, second vice-president, had been in line to become vice-president this year, but notified the executive committee that he could not accept for personal reasons, and the honor went to Mr. Lambert as a tribute to his work as membership committee co-chairman and as chairman of the Cleveland convention committee.

The meeting was conducted under the handicap of a heat wave. All sessions were shirt-sleeved with open collars. More than 400 registered.

May Move National Headquarters

Besides changing the name from National to International association, the agents substituted the office of treasurer for that of second vice-president and added six members to the board. It was also decided to allow selection of convention cities a year or more in advance. A suggestion to move the headquarters from Indianapolis to Chicago will be decided upon later this week.

Two resolutions were adopted, one putting the association firmly on record as opposing any federal or state compulsory health plan, and another strongly urging establishment of an Institute of A. & H. Insurance. The institute plan has become a major goal of the agents and many of the speakers made mention of it. It is felt that a grouping of all interests in the industry is necessary for effective opposition to compulsory insurance and for bringing the industry's story to the public in a concerted fashion.

Retiring President Gregory presided at the national council meeting. He pointed out the growing interest in asso-

(CONTINUED ON PAGE 19)

Crowe Retiring from Employers Liability

R. J. Crowe, general manager at the head office of Employers Liability, has retired after 50 years of insurance service, 38 of which have been with Employers. He will remain as a director.

C. E. Keysell, overseas manager, has been named manager to succeed Mr. Crowe. Other changes in the head office are: R. F. Shaw Kennedy, assistant secretary, becomes assistant to Managing Director Viscount Knollys; C. S. B. Crocker, assistant overseas manager, becomes overseas manager; H. A. V. Everett, assistant home manager, becomes joint home manager with H. W. Jessett, and V. C. Martin, accountant, has been named chief accountant.

Farm Bureau Claims Rallies

Three regional claims meetings for claim adjusters of the Farm Bureau companies of Columbus, O., have been held recently at Natural Bridge, Va., Conneaut Lake Park, Pa., and Pocono Manor, Pa. Speakers at the sessions included Murray D. Lincoln, president; C. W. Leftwich, vice-president and secretary; M. E. Foltz, superintendent of

claims; N. L. Cowgill, assistant superintendent of claims for the northern zone; Willis K. Link, assistant superintendent of claims for the southern zone, and Harry M. Pontious, safety director. Driving awards were also presented to several of the adjusters by Mr. Pontious.

Ill. Dept. Mails Checks to Chicago Lloyds Claimants

The Illinois insurance department as liquidator of Chicago Lloyds, has mailed out checks representing the first distribution to 10,690 claimants and their attorneys. The liability of the underwriters of Chicago Lloyds is several and not joint and, therefore, claimants will receive varying percentages on their claims, depending upon the amounts realized on each of the underwriting groups. There are 57 claimants who are receiving a minimum of 69.9% and the balance will receive varying amounts to a maximum of 99.1%, with an average of about 92.7%.

According to Director Hershey of Illinois, ancillary proceedings have already paid certain dividends to residents of certain states, Arkansas paying 55.7%, Florida, 57.5% on fire business only, and Georgia 100% from the deposits made by Chicago Lloyds with the insur-

ance departments of those states. The present distribution equalizes the payment of claimants in all states.

Mr. Hershey indicated that he believes this estate will pay a further dividend when various other pending matters are completed.

C.P.C.U. Has New Project

LOS ANGELES—Pacific C.P.C.U. chapter has inaugurated a new educational project with the presentation of a paper on "Accident and Occurrence in Liability Policies," the joint authors of which are Bernard McManus, broker; Robert McWilliams, insurance attorney, and Gordon Hall, Los Angeles manager of General Casualty of Seattle.

The project is expected to extend over 12 meetings, and the members of the chapter, individually or collectively, are preparing papers on timely topics.

Home Mutual and Home Mutual Casualty of Appleton, Wis., have appointed Clayton B. Peterson district supervisor for western Wisconsin, with headquarters at Eau Claire. He was personnel consultant assistant at the University of Wisconsin in Madison for a number of years following his graduation in 1940.

U.S.F.&G. Doubles Premiums: Bland

R. Howard Bland, chairman of U.S. F.&G. and F.&G., says the casualty company's business has doubled within the last five years.

Mr. Bland made the statement in a keynote speech at a dinner marking the opening of U.S.F.&G.'s new branch office in Cincinnati. He said it is the 12th new office to be opened in that expanding area.

Another speaker was Arthur M. O'Connell, vice-president of Thomas E. Wood & Co. and president of Cincinnati Fire Underwriters Assn. He reported that at least 50 insurance bills were introduced during the current Ohio legislative session and warned of the danger of indifference of insurance men toward such matters. He said they are in the spotlight because of the trend toward social legislation.

Mr. O'Connell advocated that companies find easier ways to insure a larger percentage of risks and pay less attention to surplus.

Wis. County Sues Former Treasurer, Natl. Surety

Trempealeau county, Wisconsin, has filed in circuit court a suit for \$16,794 against August Knudtson, former county treasurer, and National Surety. Mr. Knudtson had been bonded for \$46,000 by National Surety in 1946 when he took office. The suit alleges that the required cash balance in the county treasury was short \$9,539 on Dec. 31, 1948, shortly before Knudtson left office. Judgment is asked for the principal, plus interest and costs, and disbursement of the action.

The suit grew out of the arrest last October of Roy H. Matson, who had served as county clerk since January, 1937, on a charge of embezzling \$16,000 of county funds. He is now serving an indeterminate sentence on 10 counts in the state prison.

Mr. Knudtson had been unable to secure bond and resigned at the recommendation of the state department of audit following a county board meeting in February.

No Responsibility Referendum

SEATTLE—The threat of a referendum on the new Washington state auto financial responsibility law has now vanished, as the deadline for filing petitions has passed. There had been talk that labor might engage in such a maneuver in retaliation against insurance interests for spearheading the referendum on the temporary disability benefits law.

Helicopter Delivers Bond

C. M. Rinschler, local agent at Kingston, N. Y., arranged for delivery by helicopter of a fidelity bond from the home offices of United National Indemnity at Hartford. The operation took 65 minutes.

Will Move to Marshall

State Farm Mutual Auto plans to move its Michigan state office to Marshall as soon as a \$200,000 new building can be built on a site near the eastern edge of the city. Present offices are in Lansing but insufficient space to accommodate any expansion is available there, it was said.

Fingerprint Port Guards

Under sponsorship of the Security Bureau, New York City, organized to suppress theft and pilferage in the port of New York, a New Jersey law just passed amends the private detective act of 1939 to require holders of such licenses to fingerprint watchmen and guards in their employ and bars from employment anyone with a serious criminal record. A similar New York law is effective July 1.

The Butcher,

The Baker,

The Candlestick Maker

... all good prospects when you're selling Provident's complete line of Personal Protection Plans.

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HOSPITAL-SURGICAL**

All the standard forms written on individual, payroll deduction, and group plans—plus many unique contracts developed to meet special needs. Full information in exchange for a letter outlining your general agency qualifications.

Agency Opportunities in 38 States and Canada

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA
protecting provident people since 1887



Blank Report

SEATTLE N.A.I.C., is



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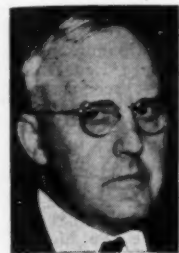
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Land Arbitration

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Blanks Committee Reports at Seattle

SEATTLE—The blanks committee of N.A.I.C., in its report at the convention here noted that



W. A. Robinson

page 3—disbursements, is to be completely revised for the stock, fire, mutual fire, miscellaneous and reciprocal blanks, this to conform to Reg. 30. Superintendent W. A. Robinson of Ohio is chairman of the committee.

On page 2 covering income, the line for "inspections" is eliminated. This was a small entry and was treated differently by various companies. Theoretically, it was to include revenue for rendering inspection service that is not part of the insurance contract. Such income hereafter will be entered in the "miscellaneous" classification on the disbursements page 3. Incidentally, much interest will be taken in this "miscellaneous" classification. It is likely that this will assume very large proportions.

On page 5 which covers liabilities, there is added "other than for loss adjustment" to the entries "Salaries, rents, expenses, bills, accounts, fees" and also these items are to be divided as between underwriting and investment.

The purpose is to draw attention to the fact that all liabilities for loss adjustment expenses should be included in the loss adjustment expense liability and to further segregate any separate reserves for investment expense from the reserves maintained for underwriting expenses.

The present casualty insurance expense exhibit is to be replaced by an exhibit re-titled "Insurance Expense Exhibit." This is to conform with the uniform rules for expense reporting and to extend it to cover multiple fire, marine, casualty, surety and miscellaneous lines. Originally, this was known as the Casualty Experience Exhibit when it was a requirement in New York only. When it was extended to other states, it was called Casualty Insurance Expense Exhibit and now that it is to be extended to all lines, the title has been further changed.

The blanks committee decided that the insurance expense exhibit for 1949 need not be filed until May 15, 1950. There is inserted on the assets page 4, a new item reading "Funds held by or deposited with ceding reinsurers." This is introduced to provide for this type of asset as distinguished from normal balances on reinsurance assumed.

There is added a footnote in schedule "B" of the miscellaneous blank that any casualty company having a majority of its premium volume derived from non-cancellable A. & H. policies may report on schedule B forms of the life blank in lieu of this schedule. The reason for this is that on account of the long term nature of non-can policies, companies may find it desirable to invest reserve funds in long term investments and should be permitted the same summarization of mortgages as in the life blank.

Land Says Fire, Casualty Arbitration Pattern Near

Myrick E. Land of the public relations department of the National Board, told the annual meeting of National Assn. of Independent Insurance Adjusters at Detroit that plans are under way for joint arbitration between fire companies and casualty companies of the same type that has been established between fire companies and inland marine companies.

He said that as quickly as National Board can get it into print an addendum will be circulated to the fire-fire agreement to the effect that television an-

tennas will be considered contents in those cases where the antenna is affixed to a dwelling, in contrast to the tower sometimes seen embedded in concrete and set in the ground apart from any building. In such cases, it is considered a structure and comes under the 10% extension of the dwelling item.

Mr. Land described the National Board's guiding principles as assistance to the insured to see that the greatest amount of coverage is afforded him and to see that any conflicts that exist may be resolved in advance between companies, rather than to cause the insured a delay while the companies iron the matter out between themselves.

Pennsylvania Mutuals Elect

Raymond Spang of Lebanon was elected president of Pennsylvania Assn. of Mutual Insurance Companies at the annual meeting at York. George A. Willis of Erie is vice-president and Guy C. Eaby of Lancaster, secretary-treasurer.

Name City Cover Committee

President Ocias Wolf of the Antonio Insurance Exchange has appointed the survey committee on city insurance and board placement committee. Arthur G. Randol is chairman.

Expect Missouri House to Pass Qualification Bill

The Missouri agents' and brokers' qualification bill was reported favorably by the house insurance committee last week despite vigorous opposition by Missouri Farm Bureau and Automobile Dealers Mutual of Kansas City and was scheduled for a final vote in the house this week. With the assembly scheduled to go into a three month recess, passage by the house means only that the measure will be kept alive for future consideration by the senate.

L. W. Byers, Columbus, spoke for the American Mutual Alliance and said that while his organization was not opposed to the bill, they wished to offer some strengthening amendments. E. L. Schouffler, Kansas City, attorney for the Missouri Assn. of Insurance Agents, indicated that the agents association had no objection to those amendments. Mr. Byers is a former deputy in the Missouri department.

A. D. Sappington, speaking for the Missouri Farmers Assn., and M.F.A. Mutual, opposed the bill in its entirety and said that the public was not interested in it. Only agents and brokers were, he said, and merely for selfish reasons. Albert Ludwig, representing the

Farm Bureau, was less vigorous and more definite in his opposition.

L. H. Trout, executive committee chairman of the Missouri Assn. of Insurance Agents, told the committee that the agents in smaller towns would be the principal beneficiaries of the bill if it passed. "My agency would be better off if this bill didn't pass," he said, "but in the interest of the public it should be passed." A short time later the committee voted to recommend the bill for passage by the house adopting only one minor amendment.

Cal-Union Begins Operation

The California-Union Insurance Company, reorganized and revitalized by Edward Brown & Sons of San Francisco, has commenced operations in California.

The company was formerly owned by the Security group which sold its charter to Don Wentworth, San Francisco broker. It has been dormant for many years and about two years ago Edw. Brown & Sons started to refinance and reorganize it as a writing company.

With \$303,000 capital and \$730,000 surplus, it will write fire and allied lines in eight western states. Edward Brown & Sons will manage its operations. A. M. Brown, Jr., is president.



CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

L.I.A.-A.L.C. Oppose Compulsory Health Insurance Plans

WASHINGTON — The life industry Tuesday expressed opposition to compulsory federal health insurance as proposed in pending bills, on the grounds that:

1. It is neither a sound nor workable plan in the light of proven insurance principles, practices, and experience.

2. It is unnecessary in view of the rapid growth and demonstrated effectiveness of voluntary plans for the prepayment of medical care.

3. There is no health crisis to warrant such a radical departure from the traditional American system of providing medical care, particularly since such a step is fraught with unforeseen consequences to the quality of medical care.

4. The cost of the government proposal would be very largely uncontrollable, and it therefore represents a threat to the economy, to our high standard of living, to the future value of the dollar, and to the buying power of the people's savings in the years to come.

These views were expressed by Ray D. Murphy, vice-president and actuary of Equitable Society, in a statement before the Senate committee on labor and

public welfare. He spoke on behalf of the American Life Convention and the Life Insurance Assn. of America.

Voluntary plans which permit the average family to budget unpredictable and unusual costs of hospital and medical care are less than 20 years old, Mr. Murphy told the committee. Despite this comparatively short existence, an estimated 61 million Americans, or two-fifths of the total population, now have prepaid hospital care insurance; about 34 million are insured against costs of surgical care, and 13 million have prepaid general medical care insurance. The difference in the numbers covered primarily reflects the length of time these plans have been in effect, he explained, pointing out that voluntary surgical care plans were first introduced little more than a decade ago and that insurance plans providing for costs of general care are only a few years old.

Don Marquis, Agency V.P. Bankers L. & C. Dies at 43

Don Marquis, 43, agency vice-president of Bankers Life & Casualty, died after a long illness in Henrotin Hospital, Chicago. He began his insurance career in Detroit, selling for U.S.F. & G. and soon became manager of its Pittsburgh office. In 1933 he organized a transport trucking concern. Although this business venture failed he declined the ad-

vantages of the bankruptcy laws and paid all creditors in full.

Returning to insurance, Mr. Marquis worked through successive promotions with such companies as Continental, Central Life, Plainealers, and Physicians Ins. Co. before taking over the sales for Northern Mutual and then Bankers Life & Casualty.

His contribution to insurance and most outstanding success occurred after his return to Bankers Life & Casualty in 1946. Under this planning as agency vice-president the company progressed from a small company to one with 51 branch offices operating in 18 states.

Mail Order House Victim of \$110,000 Swindle

James C. Creighton, a senior merchandiser, who has been with Montgomery Ward & Co. for 23 years, most recently in charge of its shoe division, was arrested this week with two other men and charged with embezzling the mail order house of \$110,000. A brother-in-law of Creighton's and the owner of a shoe company were charged with participating in the swindles.

The brother-in-law, Frank Fichter, allegedly got \$13,000 and Edward Weiss, part owner of the shoe company, \$35,000, with the remaining \$62,000 going to Creighton.

A primary commercial blanket bond is carried on Montgomery Ward by American Guarantee & Liability, with a deductible of \$10,000. The \$110,000 figure is only an estimate with investigations still under way.

The states attorney charged that the three defendants operated a system under which Montgomery Ward paid far more for shoes than they were worth. Some 60 of 66 shoe purchases were charged as being fraudulent, with Montgomery Ward paying \$166,000 for goods worth only \$56,000, according to the states attorney.

Martineau Has Had Varied Background

Walter F. Martineau, who as executive vice-president, will be in active charge of Companion Life, the new affiliate of Mutual Benefit Health & Accident Ass'n., which will operate in New York, has had a variety of duties as deputy superintendent of the New York department, a post he has held since November, 1943.

He has been in charge of the New York office of the department, handling the administrative and personnel work. He has been in charge of the liquidation, casualty, rating and audit bureaus. He has conducted a number of hearings, and his reputation in the industry has been one of fair and forthright dealing. An attorney, he was a member of the law firm of McCurn, Farnham & Martineau, Syracuse, where he graduated from Syracuse University and took his law degree in 1927. He was born in Springfield, Mass.

The new company will open its home office in New York City July 1 and will be ready to operate. Frank P. Hannan, formerly with Mutual Benefit H. & A., is secretary-treasurer.

Insurance men on the board include V. J. Skutt, president; E. S. Adams, executive vice-president and Dr. Neil L. Criss, treasurer, Mutual Benefit H. & A., and Moses G. Hubbard, Commercial Travelers Mutual, Utica, N. Y.

The New York Local Agents Assn. has endorsed the position taken by the National Assn. of Insurance Agents against any form of federal compulsory health insurance.



W. F. Martineau

Harold R. Gordon Memorial Award to E. H. O'Connor

CLEVELAND—At the annual meeting here of National Assn. of A. & H. Underwriters, E. H. O'Connor, managing director of Insurance Economics Society, became the first recipient of the Harold R. Gordon Memorial Award presented by the Chicago Association for outstanding achievement for the industry. This is the A. & H. industry "Oscar." Irving Wessman, Loyalty group, immediate past president of the Chicago association, explained that the award is designed to be the highest individual honor the industry can bestow. Mr. O'Connor was presented a plaque showing a gavel. Mr. Wessman observed that Harold Gordon spent his recreation in woodworking, and at the time of his death had been making a gavel for the Chicago association.

Fairey to Manage Carolina Casualty

Arthur C. Fairey has been promoted to general manager of Carolina Casualty. He formerly was vice-president and treasurer. Mr. Fairey will be in complete charge of operations. He was one of the incorporators of the company in 1934. He has had experience in the local agency field in Charlotte and Greensboro, N. C., and as chief deputy insurance commissioner.

R.I. Auto Rates Confused

The auto rate situation in Rhode Island is badly confused. Some time after the National Bureau filings of increased rates for private passenger cars and decreased rates for commercial vehicles Commissioner Bisson issued a turn down order but his decision was not timely and the rates stood. He then said he would approve no other filings. This means that many companies have higher commercial car rates than the bureau and lower private passenger car rates. There is a great switching of business and turmoil.

DuPage Outing July 20

DuPage County Assn. Insurance Agents will hold a golf and dinner outing July 20 at the Woodridge Golf Club, Lisle, Ill. Reservations may be arranged through the co-chairmen of the committee, Earl Whidden of Downers Grove and Edwin Chase of Lombard.

NEWS BRIEFS

Marsh & McLennan's Chicago office held its annual men's golf tournament with L. S. Kenedy, president, and P. H. Kelsey, Pacific Coast vice-president, as guests of honor. About 300 were present. One of the day's prizes went to C. W. Seabury, chairman, for sinking a 36-foot-11-inch putt on the 18th green.

Some 200 attended the annual men's picnic of the Wichita Assn. of Insurance Agents including a large number of public officials. A sports program was followed by a turkey buffet. Chairman A. E. Smoll was assisted by Eli Bounous, Henry V. Schott and several others.

H. C. Conick, U. S. manager of Royal-Liverpool group, has been elected chairman of the executive committee of the National Board.

Joe M. Moddrell, of Wichita, has announced that his son, Joe M. Jr., will join his agency as a partner July 11 when he returns from attending Travelers home office training school.

The Blue Goose Auxiliary, Wichita, has named Mrs. D. M. Quinn president, succeeding Mrs. W. L. Scholander. Mrs. C. Dixon was named vice-president and Mrs. M. M. Douglas, secretary.

H. Waldo Dietrick will take over the Henry E. Dietrick agency at Clarington, O., following the death of his father. He has had a half interest in the agency.

Mrs. Ralph Pancake will take over her late husband's agency at South Charleston, O.

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A. & H. Association Now "International"

(CONTINUED FROM PAGE 15)

ciation work by noting that 60 of the 72 local associations were represented. Membership in the National association is a strong 5,000. More than 1,400 individual members were added during the year, but because of lapses, the gain was not as substantial as hoped. However, there was a gain of 48 sustaining members and 21 new local associations received charters, a 25% gain.

Because two of the new officers were members of the board in addition to the retiring members and because of the decision to raise board membership to 18, 12 new executive committee members were elected. They are William E. Reinsh, Massachusetts Bonding, Omaha (re-elected); Rolf R. Noll, Reserve Loan Life, Kansas City; G. A. Crutchfield, Professional, Jacksonville, Fla., (re-elected); Richard Caldwell, U. S. Life, Newark; William Dignan, Dignan Associates, Cincinnati; Edmund W. Bowe, Occidental Life, Grand Forks, N. D.; Bert A. Hedges, B.M.A., Wichita; Harry Ritter, Jr., General Accident, Philadelphia; Charles H. Bokman, New Amsterdam Casualty, Pittsburgh; Charles E. Rea, Community Associates, Toronto; Jack Whiting, Income Guaranty, Detroit and Walter Mast, Continental Casualty, Los Angeles.

Many Seek 1952 Meeting

At the council meeting the delegates nearly went overboard on their new privilege of naming convention cities in advance. After accepting the bid from Detroit for 1950, presented by Jack Whiting, and that for 1951 of Dallas, championed by Porter Bywaters, Employers Casualty, president of the Texas association, John Campbell, Provident L. & A., offered Chicago, and Richard Caldwell, United States Life, spoke up for Asbury Park, N. J., in 1952. Mr. Caldwell represented the New Jersey, Brooklyn, Philadelphia and Baltimore associations. The issue came close to a vote before it was decided to hold that over until next year.

Both Detroit and Dallas have already named convention chairmen. Bill Brink of the Brink agency for Mutual Benefit, is the 1950 chairman, and William Rader, Reserve Loan Life, is chairman for the Dallas meeting. Mr. Bywaters said that at the rate membership in the Texas association is growing, there will be 1,000 local members by Dallas convention time.

Leading Producers, Women Elect

The breakfast meeting of the Leading Producers Round Table developed into a lively session with considerable discussion as to changing eligibility requirements that brought out some ideas as the value of the group to the new men in the business and to the National association.

Rolf R. Noll, Reserve Loan Life, Kansas City, was succeeded as chairman by Sidney Fields, Massachusetts Indemnity, Cleveland. Elected a director was Keith Pardee, Sr., Mutual Benefit H. & A., Lansing, Mich. About 50 attended. Membership now is 249 plus 80 life members.

Mrs. Ethel Smith, Great Northern Life, Cleveland, was reelected chairman of the women's producers division. Mrs. Smith took over as chairman in the middle of the year when Mrs. Pearl Bohnen resigned. New vice-chairman is Lavelle Zuber, Continental Casualty, Macon, Ga. Mrs. Zuber is president of the Middle Georgia association. Mrs. Helen Patterson, Continental Casualty, Flint, Mich., is secretary-treasurer.

John D. Byrne, Union Mutual Life, president of the Cleveland association, presided at the luncheon Monday that started the convention. Greetings were delivered by representatives of Mayor Burke of Cleveland and the Ohio insurance department.

Breidenbaugh Opening Speaker

The opening speaker was O. J. Breidenbaugh, disability insurance consultant and former executive secretary of the

National association. He delivered an inspirational address on the role of individuals in combating socialistic trends.

Individual security is not the business of government or industry. Mr. Breidenbaugh declared that the A. & H. industry has developed under the philosophy of the individual looking out for himself and is still based upon the idea that people can, by putting aside a small amount regularly, provide for tomorrow.

Still Opposes State Plans

The opposition of the National association to all compulsory accident and health bills, state as well as national, which has brought criticism from certain quarters, was reiterated by President E. F. Gregory in his annual address.

"Our association is composed of A. & H. salesmen," Mr. Gregory said. "We are interested first, last and always in preserving the agency system in America. We could not very well be true to ourselves and our ideals were we to take any other stand. . . . We cannot go along with any company that is more interested in building a big group premium than it is in preserving a market for the majority of its agents. We believe that any great spread of state sickness plans will take away a large part of the market of many of our members."

What Would People Lose?

Whether or not we should expand the present compulsory system of government protection should be determined perhaps not so much by what we have to gain but what we have to lose; not only by what it does for the people but to the people. E. H. O'Connor, Insurance Economics Society, declared in his talk on "Security—the American Way."

He reviewed tremendous results accomplished by life and A. & H. insurance and compared particularly the 33 million wage earners now insured in this country for loss of time due to accident and sickness, more than 50% of the labor force, with the 37 million which Oscar Ewing says are covered under unemployment insurance, a compulsory law.

Wesley Jones Reports

Wesley J. A. Jones, executive secretary, in his report reviewed the gains in membership the past year, stressing especially the addition of 17 new associations. On the educational side, he denied that the sales course is to be discontinued but explained that under a decision of the executive board it will be offered hereafter only where a local association will sponsor and promote it. Under this plan, arrangements have been made by the Des Moines association for a class at Drake University Aug. 1-12.

Sell What Prospect "Wants"

John E. North, Loyal Protective Life, Cleveland, declared that the purchaser often must be motivated to buy through an emotional appeal.

"The only possible way to motivate the prospect to act is by keeping the 'want' satisfaction of your service before him constantly. Get him to buy what he 'wants' and he'll find some kind of justification for the action he has decided upon emotionally."

Wednesday morning was given over to a panel presentation by members of the Leading Producers Round Table. Rolf R. Noll, Reserve Loan Life, Kansas City, Round Table chairman, presided, the participants being C. Cooper Sanders, Jr., Reserve Loan Life, Greenwood, S. C.; Nate Freedman, World, Indianapolis; William High, Mutual Benefit H. & A., Topeka, Kan.; A. C. Ulseth, North American Life & Casualty, Grand Forks, N. D., and Forrest Glasgo, Business Men's Assurance, Akron, O.

Hedges Refutes "Mandate" Talk

Describing the present efforts of government leaders to force socialistic

schemes through Congress, Bert A. Hedges, Business Men's Assurance, Wichita, pointed out the fallacies of their "we-have-a-mandate-from-the-people" arguments. He said only 47% of the qualified voters exercised the voting privilege last November, and probably no more than 2% knew what political issues were involved.

He rapped the lack of foresight within the industry in once having failed to provide that type of coverage which is at present offered by the so-called "non-profit," non-agency systems.

In addition, to save voluntary institutions, he said the liberalization of group and wholesale coverages must be allowed, because here the battle against socialized insurance will be won or lost. "I do not disfavor so-called 'mass coverage' so long as the agent is not bypassed in the merchandising process."

William R. Dignan, Dignan Associates, Cincinnati, stated that selling should be on the money value of a man. Good accident and health insurance, well arranged, is an all risks policy, Mr. Dignan said. It covers more than fire and casualty policies because it protects a man against wear and tear and carelessness.

W. Lockwood Miller, Canadian general manager for Occidental Life, sub-

stituted for R. T. Kelley, Ontario minister of health, who is ill, and described the important position Canada holds in the world.

Charles C. Robinson, vice-president Columbian National Life, spoke Wednesday.

NEWS BRIEFS

The Kennell-Cross agency of Houston has moved its offices to 2907 Westheimer avenue.

North America held an outing for all employees in the Chicago office.

Longview is to be inspected by North Texas Field Club on September 21-23.

Insurance Women of Wichita held their annual installation dinner for new president, Marie Beighler, Benjamin Agency; vice-presidents, Maxine Jinks, W. G. Matchette Co., and Dorothy Winters, Wheeler, Kelly & Hagny; secretary, Elva Finnin, Israel & Son; treasurer, Shirley Brentlinger, Dulaney, Johnston & Preist, and reporter, Della Wheeler, Ross Agency. Mary H. Bandel, Dulaney, Johnston & Preist, is the retiring president.

Accredited Insurance Associates of St. Petersburg, Fla., has been incorporated by Robert S. Boyle, Norman Thomas and Violet Rule.

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DO YOU BELIEVE
The Liberty Bell Was
Cracked When Rung
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July 4, 1776?

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Nortman to Manage Oscar J. Nelson Office

Roy Nortman will manage the office of Oscar J. Nelson & Co., Chicago, and will handle fire and inland marine lines. E. A. Kavanagh will continue to handle automobile business. The new setup is due to the recent death of Mr. Nelson.

Mr. Nortman has been with the agency since the first of the year and has had some 35 years' experience. Before the war he was with the Firemen's of Newark group and was claims superintendent for Pacific National in San Francisco and Chicago. After returning from civilian service with the navy at Pearl Harbor he has been with the General Adjustment Bureau's southwestern department, specializing in catastrophe loss adjustments.

Mr. Kavanagh has been with the Nelson agency for the last 12 years. He has

had many years experience in the automobile field handling inspections and adjustments.

Indep. Claim Managers In Session at French Lick

The semi-annual meeting of Claim Managers Council of Independent Casualty Insurers was held at French Lick, Ind., with 22 member companies represented by their top claim executives.

Robert D. Denton, president of the council, reviewed the aims and ambitions of the organization and subsequently turned the meeting over to John T. Hume, Jr., Indiana Ins. Co., program chairman, who piloted the two-day session.

The meeting, covering various problems of claim departments and their executive heads, was highlighted by panel discussions on loading and unloading

as it applies to automobile coverages and suits against a company by assured for excess judgment beyond policy limits. The loading and unloading discussion was headed by George E. Gantner, Utilities, assisted by Howard B. Clark, Manufacturers & Merchants Indemnity. The discussion of excess judgments was conducted by Paul Risher, Hawkeye Casualty assisted by Victor C. Gorton, Allstate, and C. C. Herrmann, Motor Vehicle Casualty.

Mr. Gorton of Allstate also discussed the problem of work loads and its relationship to rating structure. E. H. Lasseter, Illinois National Casualty, conducted a discussion on medical payments coverage and loss handling.

President Denton appointed Mr. Lasseter chairman of the program committee for the next meeting in November. The executive committee will probably meet at Chicago within the next two months. The program committee will be invited to attend that meeting to lay plans for the winter meeting.

Develop Plan for Small Town Inspections in Neb.

Nebraska Fire Prevention Assn. has developed a plan for inspecting towns with a population of 1,000 or less, and it is thought that 15 smaller towns in the state can be inspected each year.

Suggested by E. J. Nagel, Home, the program involves a team of only four field men. This group obtains the cooperation of local volunteer firemen and one member meets with the firemen and briefs them as to how the inspection is to be performed. The firemen are given a supply of materials used by the association in a regular town inspection, and when the date is set for a public meeting, the four members of the team assist in conducting the inspection, make talks before the school children and show films.

In towns where the plan has already been used, an unexpectedly high degree of enthusiasm and cooperation has been obtained.

Reports on Union Life of Ill.

The Illinois department has issued a report of an examination of Union Life of Chicago, an assessment legal reserve life company, showing assets at Dec. 31, 1948 of \$610,763, unassigned funds \$90,627 and guaranty fund certificates outstanding \$57,050.

Joseph J. Miller is president. There are three general agencies, they being T. H. Fuller, Union Life Insurance Agency and Arthur J. Utter. Life insurance in force was \$18,217,594, health and accident premiums were \$1,166,823, claims \$445,865, commissions \$512,502, taxes \$15,125 and other insurance expenses \$271,102.

Rate Cuts in Mass. Towns

With abolition of congested district charges by New England Fire Insurance Rating Assn., fire rates have been reduced as much as 25% on dwellings in 26 Massachusetts communities. The charges have been added to minimum rates on dwellings and apartment houses in congested districts for more than 30 years. In 23 cities the charge was 5 cents, in Lowell there was one 25-cent extra charge section, in Scituate a 15-cent sector and in Marshfield and Wareham a 10-cent one.

Agency Ownership Unit Out

The educational division of National Assn. of Insurance Agents has completed the third unit in its agency management series, the course on agency ownership.

Texas Hearing July 25

The Texas board of insurance commissioners will hold a hearing July 25 at Austin to consider revision of rates and rules for fire, windstorm and allied lines.

Cleary President of United Benefit

George Cleary, formerly superintendent of claims for Mutual Benefit Health & Accident, has been elected president of United Benefit Life. He succeeds Dr. C. C. Criss who becomes chairman of United Benefit.

Mr. Cleary joined Mutual Benefit in 1920, two years after graduating from Creighton University law school, and was one of the organizers of United Benefit. Born in Kearney, Neb., he is 52 years old, married, and the father of two children. He is well known to and cordially regarded by the companies' field force.

Royal-Liverpool Opens K. C. Office; Shifts Personnel

Royal-Liverpool has opened a group regional fire office at 311 Dierks bldg., Kansas City. It will be managed by R. S. Farrell, former manager of Eagle-Globe-Royal Indemnity office in St. Louis. The new office will serve all agents in Missouri, Kansas and Oklahoma, except those who report to St. Louis.

C. R. Voges, assistant secretary at the New York office has been transferred to St. Louis as manager there. Both the Kansas City and St. Louis offices are under Regional manager John A. Bosdett.

Mr. Farrell became a special agent in the metropolitan New York department of Eagle-Globe-Royal in 1942. Transferred to Indianapolis in 1944, he became assistant agency secretary in New York in 1945. In 1948 he was made manager at St. Louis.

Mr. Voges joined the Indianapolis office in 1941. In 1946 he was transferred to New York as assistant agency secretary.

Fred A. Miller has been appointed assistant regional manager by Royal-Liverpool for Pennsylvania succeeding John Roy, transferred to the New York office. Mr. Miller has been 27 years with the group, in the New York office 1922 to 1924, at Boston till 1939, and then special agent and later state agent in Hartford.

Ry. Assn. Covers B. & O. Pier

The \$500,000 fire in the Baltimore & Ohio Railroad's coal pier on Staten Island was insured in Railroad Insurance Assn.

NEWS BRIEFS

Arthur B. Dunbar, Omaha agency head, has been elected governor of Rotary for the 177th district covering parts of Iowa and Nebraska.

Ansel Earp, Oklahoma City local agent, has resigned from the city planning commission, of which he had been chairman for two years. He has been succeeded by Irvin Hurst of New York Life.

J. D. Powell has been elected vice-president of R. E. Anderson & Co., Tacoma local agency and brokerage firm. Mr. Powell is also vice-president of R. E. Anderson & Co. of Oregon.

R. B. Livingston and M. S. Lindsay have become partners in the Houston, Stevenson & Cummings agency of Houston.

W. Keith Phillips, Jr., has been elected a vice-president of Stembler-Adams-Frazier agency, Miami. He has been with the agency three years.

A new agency, Dickey & Helm, has been formed at Louisville. Fielding H. Dickey and Milton S. Helm, Sr., who have been in the real estate business.

Pacific Employers has been licensed in Delaware and Hawaii.

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Interested? Write us in confidence.

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New Probe Plan of IMUA, National Board

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said, the authorities will not act on a case without a promise of payment.

The bureau would like to inaugurate a system of no payment for investigations and rewards commensurate with work done, to be paid to the police chief or commissioner for distribution to the proper persons.

He said he would like to see the companies get away from the policy of paying a fixed percentage to persons recovering property. The theory that adjusters, or companies, should offer a flat 10% on property recovery is a hard one to defend, he declared. If 10% is paid for recovery on a \$5,000 item, that may be in line with value received, but 10% of \$100,000 usually is fantastically high. Companies need to do some new thinking about the rights of people who find lost property. The New York law states that if a person keeps property he has found he is guilty of larceny. The fact that a person has discovered a lost article does not necessarily mean that he is entitled to a reward simply for picking it up off the street.

Companies Too Willing to Pay

The willingness, and in some cases eagerness, of the companies to pay has created a problem that may be almost impossible to overcome. In the larger cities, especially, the police will approach an adjuster or company man and ask for a reward before taking action on a case, or giving up property they have recovered. Mr. Bielaski mentioned the case of a lady who left her apartment while a radio repair man was there and upon returning found that he had left and taken a diamond ring. She reported the case to the police desk man, who sent a policeman to the repairman's house and recovered the ring. The desk man demanded a reward for his services. The companies are paying on these demands, Mr. Bielaski said and each individual company is afraid to discontinue the practice for fear of being called cheap, and getting itself in the position of being unable to obtain police help.

Bureau Would Clear Rewards

What the bureau wants to do is set itself up as the clearing house for reward payments. All requests for rewards would be screened through the bureau and if any case merited payment, it would be made to the chief of police or the police commissioner. That would avoid getting tangled up with the law which in some states provides that payment to a policeman direct for services is illegal. Many company executives could be put into jail today if their payments to the police were made known, Mr. Bielaski said.

Mr. Bielaski reported that he is taking up the reward problem with the International Assn. of Police Chiefs with the hope of getting a solution.

Another benefit that the new bureau may provide is in apprehending criminals during an interim period wherein the state and federal authorities lack jurisdiction. Mr. Bielaski explained that most jewel thieves are prone to grab and run. They cross the state line and the state loses its jurisdiction. The FBI has no authority unless the case is interstate and involves \$5,000 or more. Until that can be determined there is a lapse of time during which the criminal has an opportunity to dispose of the goods and start over. A trained force of able investigators sponsored by the insurance companies could do much by stepping in at that point. Further, by doing that work they would obviate the necessity for reward payment.

Asks for Field Help

Mr. Bielaski emphasized that the inland marine investigation work is only in its preliminary stages. The bureau is feeling its way and is soliciting suggestions and help from the men in the field. When asked what an adjuster or an

underwriter in Chicago should do about a suspicious case, Mr. Bielaski said he should report to the special agent in charge for the National Board, who would immediately put in a long distance call to New York and find out whether he should proceed with it. This is contrary to the arson cases in which the Board special agent takes responsibility for proceeding before notifying New York, his only duty being to report within 24 hours that he is on a case. There are so many more inland marine cases than fire that someone has to draw the line as to where the Board should proceed.

Members of the Mariners evinced extreme interest in Mr. Bielaski's remarks. Roy Urbauer, Home, president of the Mariners, called upon some of the adjusters, who were especially invited, to ask questions or give their opinion of the plan. Greatest concern was shown over the reward system. The companies want to continue paying policemen for their help where it is warranted in order to maintain friendly relations and get co-operation. Some doubts were expressed as to whether a payment to a police chief or commissioner would insure that the patrolman would receive value for his services since the departments in most cities take large cuts for the pension fund and senior officers also receive a share.

Mr. Bielaski observed that the bureau would like to contact the most honest and reliable members of the police force in each city and spread out from there. The percentage of policemen who are corrupt is very small, but they are the ones that make the demands and receive money. The true law enforcement officer will not accept payment direct for his work and, therefore, often is unknown to the adjuster or company.

Alta. Committee Vetoes Government Auto Insurance

EDMONTON, ALTA.—An impartial committee, appointed by the government to look into the automobile insurance business, has come to the conclusion that no government "could hope to operate more economically or with greater efficiency" than the private companies.

The committee was appointed last year to determine for the government "the advisability or otherwise of the government providing automobile insurance to the people of the province and, if so, the basis on which such insurance should be provided." Being a next door neighbor of Saskatchewan, the Social Credit government of Alberta was asking whether it should adopt a plan of compulsory government automobile insurance such as that in effect in Saskatchewan. Recommending against government insurance of any description, the report said:

"The committee has heard suggestions that the government should sell insurance in competition with companies already doing business in the province. This might be a desirable step if it could be shown that it would mean a general reduction in rates, but no evidence to support this conclusion has been produced to the moment. Automobile business is written on a very close margin. An examination of the abstract of company returns published by the Alberta superintendent of insurance indicates that in the last few years few companies doing business in this province have made even reasonable profits in the automobile insurance business. On the contrary, the majority of the companies actually lost money on this class of business, many of them paying out in claims alone as much as several times what they took in as earned premiums. When it is remembered that agents' commissions range to 20%, and the costs of adjustment, taxes, overhead

expenses—as well as the total of claims paid—must all come out of present income, it is obvious enough that these companies are subsidizing their automobile business out of their more profitable lines.

"No government could expect to operate more economically or with greater efficiency than the established companies. The government could, nevertheless, sell automobile insurance over the counter at lower rates due to a saving in acquisition costs. Under such circumstances, however, the committee fears that undesirable risks who have been weeded out by private insurers, and whose rates would otherwise be loaded, would flock to the government office for coverage. This would result in an exorbitant loss ratio and place the government in a position where it would have to either subsidize the writing of automobile insurance or increase the rates. It therefore follows that a solution to the high cost of insurance will have to be found in some other quarter."

Aspects of the Wisconsin workmen's compensation act were discussed by J. A. Bloomquist, attorney for Employers Mutual Liability, at a meeting of the Milwaukee chapter, American Interprofessional Institute.

Denies "Hints" That Lloyds Will Quit Dram Shop Cover

There have been no hints that London Lloyds will quit the Illinois dram shop liability field July 1 unless changes are made in the law, according to David J. Kadyk of Lord, Bissell & Kadyk, Chicago attorneys for London Lloyds. Mr. Kadyk said there was no foundation for the statement in an item in the June 16 issue of THE NATIONAL UNDERWRITER that Lloyds would quit the dram shop market unless the law were changed.

Standard 10-Year Club Elects

At its annual meeting the Ten Year Club of Standard Accident elected the following officers: Loretto M. Shannon, president; C. Clyde Mill, first vice-president; Helen Gardiner, second vice-president and George Franklin, secretary. Miss Shannon has been with the organization since 1925 and is supervisor of the executive stenographers.

Northwestern Mutual Fire recently held a three-day conference in Seattle for all department managers, division managers and home office executives. The year's operations were reviewed and plans outlined.



There is no better guarantee of the future of American business than the absolute integrity of insurance companies. The British companies have contributed much to the development of sound policies of investment and underwriting. The Yorkshire Group is proud of its heritage and is committed to carrying on with these policies as it goes forward to do its part in the development of business in the American Way—through the American Agency System.

THE YORKSHIRE INSURANCE COMPANY, LTD.
SEABOARD FIRE & MARINE INSURANCE COMPANY OF NEW YORK
THE YORKSHIRE INDEMNITY COMPANY OF NEW YORK

90 JOHN STREET - NEW YORK CITY

Analyze Mail Order A. & H. Regulation

(CONTINUED FROM PAGE 15)

refuge to those insurers which operate objectionably.

The bill for service of local process on unauthorized insurers, approved by N.A.I.C. at its meeting last December, and already adopted by a number of states, is characterized as a constructive approach to some aspects of the unauthorized insurer problem. Mr. Kline says it would virtually eliminate the present necessity for an insured to resort to distant forums for the purpose of asserting legal rights under policies issued by unauthorized insurers, but that the limitations of the act should be recognized. It does not meet the problem of how to prevent irresponsible insurers from continuing to issue policies by mail and to provide unduly restricted or inadequate coverage. Hypertechnical construction of policies, unnecessary restrictions and exclusions and misleading advertising, as well as other devices favored by irresponsible insurers, are not covered by this particular act.

Use of State Taxing Power

Proposals to use the state taxing power, either by having the state place a tax on premiums collected by unauthorized insurers, or levying a premium or other tax on residents of the state who purchase insurance from unauthorized insurers, are regarded as generally impractical. An insurer might elect to continue to do an unregulated business in the state and pay the tax. Such a decision would afford revenue to the state, but would afford no protection to its citizens. It would affect all mail-order companies and, of necessity, be reflected by an increase in their rates, or a reduction in coverage if the same profit element is continued. Taxation of the insured would really serve to increase the cost of his already inadequate coverage and would have little or no effect on the operation of the companies, or the form of a coverage which they might see fit to give.

Efforts to control advertising of un-

authorized mail-order insurance within a state, either through a prohibition by state statutes or through cooperative agreement between the commissioner and the newspapers and radio stations, such as was worked out in Colorado, are regarded as having little effect, although the latter plan would appear to offer more possibilities.

Original Action in Supreme Court

A new suggestion, on which there apparently has been very little discussion heretofore, but which Mr. Kline regards quite favorably, is that the state utilize the original jurisdiction of the United States Supreme Court to obtain an injunction preventing unauthorized insurers from soliciting its citizens. There are a number of cases which have led him to believe that the U. S. Supreme Court probably would take jurisdiction in such cases. He cites five practical advantages:

—It does not require the passage of uniform or substantially similar laws by the 48 states. This point is of real importance because of the difficulties inherent in any attempt to get all the states to agree upon any specific regulatory theory.

—The proposal should not meet with the objections raised against the Hobbs bills. Legitimate mail-order insurers would continue to conduct their business without being required to meet additional licensing requirements or to change their methods of operation.

—It gives promise of certainty in its actual operation since an injunction decree would run directly against the insurer concerned.

—The technique involved would bring the prestige of the Supreme Court of the United States to bear upon illegitimate operators and might as a result bring about a discontinuance of unfair practices against each individual insurer.

—The proposal gives a fair promise of being sustained. On the other hand, it should be recognized that the Supreme Court, perhaps influenced by practical considerations including crowded court calendars and the possibility of numerous suits of this nature, might refuse to grant the validity of the legal proposition discussed above and might decline to take jurisdiction.

Injunction in U. S. District Court

A somewhat similar proposal is for a state to bring suit for injunction in the federal district court against an unauthorized insurer to prevent it from transacting insurance business within the state. It is admitted that there might be some serious legal questions involved in such a move and Mr. Kline submits the draft of an act to be passed by Congress to eliminate such problems. He finds many arguments for the proposal and, while there is some reluctance in the insurance industry to seek assistance from the federal government on the ground that to do so would open the door to federal regulations by disclosing a weak point in state control, Mr. Kline considers that such a fear is ill-founded.

State cooperation with the postoffice department in obtaining fraud orders is strongly recommended. It is suggested that the state might very well undertake the preliminary investigative work and possibly intervene and perhaps actively assist in the preparation and presentation of evidence at the hearing. If either or both of these forms of assistance could be proffered to the department on a cooperative basis, it would appear that the burden on the postoffice department would be lessened.

FTC Offers No Panacea

Considerable space is given to the question of federal government control under the federal trade commission act, with a review of the FTC act, fair trade practice acts passed by the states and the procedure of the commission in the development and enforcement of trade practice rules, including questions of advertising, claim practices and the test

of solvency of an insurer. Mr. Kline declares that federal trade commission "offers no panacea in answer to the problems presented by the mail-order accident and health industry. Regulation by it of any one aspect of the industry has been aptly described as opening a 'Pandora's box.' In the instance at hand, it can be said that even the limited approach of regulating insurance advertising opens up additional problems of investigation and research with which federal trade commission is not prepared to cope, either from a jurisdictional or from a staff, budget or experience point of view. In view of the many commitments of our federal government, it may be questionable whether it is desirable to embark on a system of dual regulation, with its attendant overlapping, particularly when the system of state regulation favored by the 79th Congress has yet to be completely tested."

Ellis H. Carson, executive vice-president of National Surety, awarded prizes to five employees for suggestions at the employees June dance. More than 500 attended.

The Hillside, N. J., board of education has centralized its insurance placement by appointing Miss Kathryn A. Keller its insurance agent. She will allocate the insurance to township agents and brokers under the supervision of the board.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago.

June 27, 1940

	Div.	Bid	Asked
Aetna Casualty	3.00	76	78
Aetna Fire	2.00	51	52 1/2
Aetna Life	2.50	51 1/2	53
American Alliance	1.10	23	24
American Auto	1.60	44	46
American Casualty .....	.80	12	13
American (N. J.) .....	.70	15 1/2	16 1/2
American Surety	2.50	54 1/2	56
Boston	2.40	61	63
Camden Fire	1.00	19 1/2	20 1/2
Continental Casualty	2.00	50	52
Fire Association	2.50	57	59
Fireman's Fund	2.60	78	80
Firemen's (N. J.) .....	.50	15 1/2	16 1/2
Globe & Republic .....	.50	48	50
Globe & Republic .....	.50	9 1/2	10 1/2
Great Amer. Fire	1.30	32	33 1/2
Hanover Fire	1.40	30 1/2	32
Hartford Fire	2.50	121	123
Home (N. Y.)	1.40	29	30
Ins. Co. of North Am.	3.50	99 1/2	101
Maryland Casualty .....	.50	13	14
Mass. Bonding	1.60	25 1/2	27
Merchants Fire, N. Y.	1.15	25 1/2	26 1/2
National Casualty	1.45	24 1/2	25 1/2
National Fire	2.00	51	53
New Amsterdam Cas.	1.20	31 1/2	32 1/2
New Hampshire	2.00	41 1/2	43
North River	1.20	24	25
Ohio Casualty	1.00	50	52
Phoenix, Conn.	2.00	81	83
Preferred Accident .....	...	4 1/2	4 3/4
Prov. Wash.	1.40	31 1/2	33
St. Paul F. & M.	2.25	81	83
Security, Conn.	1.40	32	33 1/2
Springfield F. & M.	1.90	42	44
Standard Accident	1.45	32	33 1/2
Travelers	22.00	643	653
U. S. F. & G.	2.00	50 1/2	52
U. S. Fire	2.00	60	62

*Includes extras.

Meet Medical Cost By Voluntary Plan

(CONTINUED FROM PAGE 15)

covered by "something resembling completed medical coverage."

He said, however, that the average American, despite his high standard of living, has not yet learned to purchase insurance against the costs of serious illness. Great numbers are already so protected, but the number is not yet enough. Doctors have been concerned with this problem for at least 40 years. Some years ago A.M.A. set up a council on medical service to examine plans for spreading the costs of medical care on a voluntary basis, "thus aiding people to assume their own responsibility in this regard." It is recognized that in the present evolution of a system designed along the American way of life, there must be reasonable opportunity for continuous experimentation. Thus private as well as non-profit agencies are encouraged and the opinions of consumers are welcomed in determining the conditions of operation.

Dr. Fishbein admitted that today certain rural areas, segregated groups in the population and poverty-ridden districts do not have available medical service of the quality that is available to the majority of the population. His answer to this situation would be the building of hospitals, health centers and diagnostic facilities in such areas and the creation of technics whereby competent young physicians who might settle in such areas would be assured of incomes sufficient to sustain life by improvements in methods of payment, utilizing prepayment plans and grants-in-aid from local, state or the national government, but with administration invariably at a local level.

Penfield Oregon Special

R. J. Penfield has been named special agent of America Fore at Portland, Ore., associated with Lane Goodell, state agent. Mr. Penfield has been with General Adjustment Bureau and is a member of a well known Oregon insurance family.

The California legislature has passed a bill to remove the limitation on the of unemployment and UCD benefits combined in any one year of 1 1/2 times the maximum for either type of benefit alone. This was an administrative headache because of the record-keeping controls that were involved. It is a matter of much satisfaction that otherwise the legislature left the law alone.

Group men of Zurich and Zurich Life will spend the week beginning July 23 at a convention at Banff, Alta.

R. Kirk Mayer Agency, New Orleans, has been appointed Louisiana general agent for Southwestern Fire & Casualty of Dallas.

WANT ADS

A SPLENDID OPPORTUNITY

for an experienced Casualty Special Agent in Western New York. Multiple line aptitude advantageous. Headquarters in Buffalo—(Our personnel has been informed of this advertisement.) Address U-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

BOND MAN AVAILABLE

Experienced fidelity and surety underwriter with knowledge of casualty lines desires position in Chicago as department or branch manager. Have good connections and can furnish best of references. Address U-95, in confidence, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Special Agent—Experienced—for large nationwide agency mutual casualty company. Pennsylvania territory. Replies held confidential. Address U-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Interested in representing a multiple line casualty company on a general agency basis, for about thirty counties adjoining Cincinnati, Ohio. Have substantial volume in own local agency plus wide experience as company field man. Write U-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Employee

Trefry in

Earl C. Trefry, assistant superintendent of group office agency department.

Mr. Trefry joined the office in 1939, more than in the field, principally selling.

For two Mr. Trefry has been in sales agencies and training the major Employers agents through

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ACTUARY

The Insurance Company of North America invites written applications for the position of Actuary. Address—

John A. Diemand, President
1600 Arch Street Philadelphia 1, Pa.

CHANGES

Employers' Group Promotes Trefry in Agency Dept.

Earl C. Trefry has been promoted to assistant superintendent of the Employers' group home office agency department.

Mr. Trefry first joined the Boston office in 1946 after more than 17 years in the insurance field, principally in selling.

For two years, Mr. Trefry has been conducting sales conferences and sales training courses in the major offices of Employers' group for fieldmen and agents throughout the country.



Earl C. Trefry

Hartford Accident Opens 11 New Claim Offices

Hartford Accident has opened 11 new claim offices, all to be headed by men formerly with other offices. The Long Beach, Cal., office will be under Russell E. Thomas, who has been with Hartford Accident since 1946. The Dover, Del., office is headed by Robert J. Harris. He has been an adjuster at Baltimore and Philadelphia since 1940. The Orlando, Fla., office is under Wade H. Kelley, former head at Miami, who has been with the company since 1942.

Charles H. Washler heads the Cedar Rapids, Ia., office. He has been with the Des Moines office since 1946. Owen R. Wortman is in charge at Moline, Ill., and has been with the firm since 1936. The Benton Harbor, Mich., branch is under Jack C. Kelsey, who has been with the Grand Rapids office since 1945. The Binghamton, N. Y., office is headed by Thomas F. Given, who has been an adjuster in that area for Hartford Accident since 1918.

William O. Sherwood, Jr., is in charge at Big Spring, Tex. He formerly headed the Amarillo, Tex., office and also has been an adjuster in Ft. Worth and New Orleans since joining Hartford in 1941. The La Crosse, Wis., office is headed by Robert E. McLaughlin, who has been in the company's Appleton, Wis., office since 1946.

Two offices were opened in Kansas. That at Hutchinson is headed by William A. Elias, Jr., formerly of Kansas City, and the Pittsburg office is under Harold A. Ham, who has been with the company since 1928.

Ryder at Newark Branch

Harry L. Ryder has been named field representative at Newark for Standard Accident. Previously a claim representative with Employers Liability, he recently graduated from Standard's home office training school.

Name 2 Assistant Managers

George C. Foedisch, Jr., and Nathan P. Stauffer have been named assistant managers in Pittsburgh and Philadelphia, respectively, by Fidelity & Deposit and American Bonding.

Both men started with F. & D. as special agents in Philadelphia in 1940 and 1941.

Ga. Auto Rates Revised

National Bureau of Casualty Underwriters has reduced automobile B. I. rates in Georgia and P. D. private passenger rates have been increased. The average state-wide changes for private passenger cars on B. I. are -14.3%, while P. D. has increased 10.6%. Commercial vehicles have a reduction of 15.4% on B. I. and no change for P. D.

ACCIDENT

Organize in N. E. Iowa

WATERLOO, IA.—Frank A. Walton of Waterloo, manager of Mutual Benefit H. & A., was elected president of the newly organized Northeast Iowa Assn. of A. & H. Underwriters at an organization meeting here, with about 20 A. & H. men in attendance.

W. W. Miller, National Travelers Casualty, was named vice-president; Don Port, New York Life, secretary-treasurer, both of Waterloo; Ivan Mast, Continental Assurance, Cedar Falls, chairman of the executive board.

Not "Accidental Means"

The Texas court of civil appeals has held that a pre-existing blood clot that is dislodged because of an operation and lodges in the patient's lung, causing his death, is not a case of "accidental means." Reversing the trial court, the judges held that since there was no slip of the knife, such as might be called an accident, the policy did not apply. The case is McMahan vs. Mutual Benefit.

Lawrence St. Paul President

Robert S. Lawrence, Northern Life, has been elected president of St. Paul A. & H. Underwriters Assn. Robert J. Durenberger, North American Life & Casualty, is vice-president, and Alan E. Olson, Occidental Life, secretary-treasurer. Carl A. Ernst, North American L. & C., and B. J. Cashman, Monarch Life, were elected directors, and J. Peter Devine, Occidental Life, chairman of the executive board.

Mack New Kansas President

New officers named by the greatly expanded Kansas Assn. of A. & H. Underwriters at its annual meeting at Wichita are E. L. Mack, Provident Life & Accident, president, succeeding Claude W. Jackson, Inter-State Assurance; Robert R. Tyler, Commercial Casualty, vice-president; Deane Myer, Business Men's Assurance, secretary; H. Coye Hubbs, Mutual Benefit H. & A., treasurer; James W. First, Washington National, Topeka, eastern resident vice-president and J. C. Fortune, Inter-State, Garden City, western resident vice-president. Retiring President Jackson will be chairman of the executive board and is representing the Kansas association at the Cleveland convention.

Form Palm Beach Assn.

Palm Beach County Assn. of A. & H. Underwriters, recently formed, was host to the Florida association state meeting at Palm Beach.

Officers of the Palm Beach association are: President, C. Leslie Watkins, Continental Casualty; Vice-presidents, O. C. Amilson, Sr., North American Accident; John W. Turrentine, Provident Life & Accident; Frank G. Shappell, Florida Mutual; William H. McLaughlin, Connecticut General Life, and Virgil D. Chandler, Illinois Bankers Life; treasurer, William R. Zern, Continental, all of West Palm Beach.

Hospitals Not Health Schemes

Hugh H. Murray, president of National Assn. of Mutual Insurance Agents, testified before the House and Senate sub-committees conducting hearings on proposed health programs that if Congress passed one or all 13 of the pending measures tomorrow, it wouldn't do a bit of good because there aren't half enough doctors or hospitals and cannot be for at least four years. He suggested that the committees of both houses forget about the health programs and get together on a measure that could be enacted immediately to provide for substantial aid in training an adequate number of doctors, dentists and nurses, and for building more hospitals and clinics.

Burglary Man Urges Greater Care in Home Hiring

NEW YORK—People should exercise greater care in checking references of employees they are about to hire, Joseph W. Conklin, superintendent of burglary claims of U.S.F. & G., New York City, told members of the Richmond County Assn. of Insurance Agents. He cited examples of many interesting claims under residence and outside theft policies.

Many thieves accept employment in private homes only to loot them when they are left alone. Too many employers do not realize until it is too late that the person whom they have hired is a thief. A careful investigation can avoid a lot of embarrassment and trouble, Mr. Conklin said.

Physique Is No Test

The physical appearance of domestic thieves is very often misleading, Mr. Conklin explained. One very attractive young girl was employed as a domestic servant. She won the complete confidence of the family. One night she was left alone on the premises. When the family returned, everything that was of value in the house had been carried off by her and her accomplices. Although the girl was later apprehended, a careful study of her references would have revealed her past criminal activities.

Mr. Conklin pointed out the importance of keeping an accurate record of serial numbers of all valuable items. If a record is kept, it will greatly facilitate the recovery of stolen items. A watch has two numbers, a works number and a case number. Both should be recorded. Mr. Conklin said that in cases where these watch numbers have been on record and the watch has been stolen, the percentage of recoveries is far greater.

Pays Claim in Three Hours

NASHVILLE—Nashville Coca Cola Co. was robbed of \$3,157 in a daring daylight robbery. Three hours later a claim for this amount was paid by check of Loventhal Bros., for Globe Indemnity.

Arnold Vice-president of Lumbermen's Mutual Cas.

John A. Arnold has been named vice-president of Lumbermen's Mutual Casualty and American Motors. At present, he is vice-president and secretary of National Retailers Mutual, of the Kemper group, and has been in charge of underwriting since 1941. He is also vice-president, general manager and director of Federal Mutual Fire and director and treasurer of American Mutual Reinsurance.

G. A. B. Eastern Changes

A. A. Longway has been transferred to Providence by General Adjustment Bureau as senior fire adjuster. He joined the bureau in 1946 as an adjuster at Syracuse and the following year was appointed manager at Watertown.

Arthur Flint of the Elmira, N. Y., office will succeed him at Watertown. Mr. Flint has been with the bureau since 1940 and served in the Buffalo office for six years before going to Elmira as an adjuster.

Gov't Employees Hikes Capital

Government Employees has increased its stock from 125,000 shares of \$4 par value to 150,000 shares at a \$4 par totaling \$600,000. A stock dividend of 20% has been declared payable July 1 at the rate of 1/5th of a share for each share now owned by stockholders of record June 20. A semi-annual dividend of 50 cents on capital stock before increase was declared payable July 1 to stockholders of record June 20.

Bill on Railroad Workers

WASHINGTON—H.R. 5011, introduced in the House, proposes to bring railroads under the longshoremen's and harbor workers act. The bill has little interest for insurers since railroad workers now come under the federal employers liability act, and most railroads self-insure. They would probably continue to do so under any new arrangements.

Horace Nelson, Jr., local agent at Atlantic, Ia., has purchased the W. A. McKee agency there.

BOB DAN THE ANCHOR MAN





ANCHOR CASUALTY COMPANY

SAINT PAUL & MINNEAPOLIS

"A Piping Good Agency Company"

PEERLESS

Casualty Company

An Old New England Company

INCORPORATED 1900
BOSTON, NEW HAMPSHIRE

REINSURANCES

FIDELITY AND SURETY BONDS

SPECIALIZED LINES AND EXCESS COVERS

CASUALTY AND LIABILITY LINES

NEW YORK

116 John Street

CHICAGO

175 W. Jackson Blvd.

BOSTON

110 State Street

Details of Escott Rating Plan

(CONTINUED FROM PAGE 1)

use of one rate for each peril covered by the policy.

Stamping will follow a similar procedure.

Under the procedure, the licensed rating bureaus exclusively will promulgate rates and audit daily reports and other documents for multiple location business.

WIDE CLEAVAGE SHOWN

The fireworks Monday came at the meeting of the committee on rates and rating organizations to consider the multiple location risk problem in fire insurance. The large meeting room was jammed and the group was treated to a clash between potent elements in the fire insurance business and evidence of cleavage between Dineen of New York and Harrington of Massachusetts.

Ivan Escott, executive vice-president of Home, led off to report as chairman of the research committee of Multiple Location Service Office. He reported that the members on June 8 had voted for a permanent plan to supersede the temporary plan, embracing a schedule of credits and surcharges applicable to the basic average rates. Multiple Location Service Office would operate in an advisory capacity and not as a rating organization. Mr. Escott declared that the plan should be adopted as soon as possible in all states.

Forbes of Michigan, the chairman, read a telegram from J. V. Herd of America Fore, who said that important minority interests in the industry ask the commissioners to withhold action until their views can be made known. There was also a message from Hartford Fire in opposition to the majority plan. There was a letter from E. W. Sawyer for the Brokers Association, expressing satisfaction that the companies had come out with a credit-debit plan, but saying that even more flexibility than that is needed.

Give Vote on M.L.S.O.

Mr. Harrington asked Mr. Escott for the particulars on the voting in M.L.S.O. The reply was that 66 companies voted for it, 44 against and 20 did not vote. He said the opposition was mainly to the idea of introducing a modifier of loss experience. Mr. Escott strongly contended that experience rating is necessary in this type of business. He said that in respect of expenses any alleged economies are non-existent and that the only demonstrable saving is the 5% less commission that is paid. Thus five points on the expense side were transferred to the loss column and a permissible loss ratio of 55 was projected.

Mr. Harrington inquired as to the question of discrimination. How can it be justified that one group of assured is given the advantage of experience rating and this is denied to others?

Gough of New Jersey asked whether the reversal of attitude on the part of the companies was due to pressure from the New York department. To this Mr. Escott replied that he was approached by Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, imploring Mr. Escott to assume leadership in clearing up the "intolerable" situation. Mr. Escott undertook to swing the sentiment to a debit-credit plan. He interviewed every executive in the business and was supported by the executive committee of M.L.S.O. The governing committee voted 10 to 2 for the plan and it was then taken to the membership. Mr. Escott said that here the business is dealing with the blue chips of American industry and he desired to save the day for stock insurance. This type of assured simply will not pay premium of \$500,000 on a 25% loss ratio. If the issue is not settled, he said the states will be deluged with individual filings. He voiced the belief that there is no

plan that will get the universal acceptance of the industry and the states.

Mr. Gough asked why the plan is not made applicable to real estate. Mr. Escott replied that there is not the turnover in real estate that there is in stocks, and real estate values don't fluctuate so widely.

Mr. Herd then came forward. He emphasized that of the 136 companies represented, 70 either didn't vote or voted against the plan. He said America Fore had hoped that an analysis of the expense factors would have paved the way for the fashioning of a defensible and satisfactory plan. Until such an analysis is available, his group will press for the use of an average of tariff rates. The debit-credit business over the years, he declared, has not paid its way. The plan is arbitrary and would have far-reaching effect on other classes of business that would become involved in the principle of experience rating. It contains, he alleged, an element of unfair discrimination that would be hard to explain away. He said he would rather defend the charge of overcharging a few than of discriminating against the little fellow.

Industry Kept "Off Balance"

Mr. Herd declared that the industry is not alone to blame for the delay and Mr. Harrington prodded him to explain that statement. The answer was the allegation that the New York department had kept the industry "off balance" by changing signals and by insisting on a new approach to the study of expense factors after the industry had initiated a study through Froggatt & Co. If the industry could proceed unfettered for 90 days, it would come up with something, he declared. This brought on an exchange between Mr. Herd and Mr. Dineen, the latter charging that the Froggatt investigation was launched at the instance of the New York department but without clearing the procedure with the department. Mr. Herd said the delay would not have occurred had Mr. Dineen integrated his program with that of the industry.

J. R. Barry, president of Corroon & Reynolds, took over in colorful style. He said the interstate risk problem solution was proceeding serenely until I.U.B. decided it wouldn't play ball "unless it could be called advisory." He contended that any rating plan could not be constructed around an expense differential, because any conclusions as to expense become simply matters of opinion. If expenses are to be kept for this class, then they would have to be kept for every class. He said that American business can't be cramped into a rigid rating system, that the first essential is to recognize that multiple location risks constitute a separate classification. He said there is no harm in a multiplicity of rating plans and that by getting such plans in operation practical experience will be developed upon which to determine what changes are in order. The discussion was then adjourned until the following evening, as buses were waiting outside the hotel to transport the conventioners to the ferry for the evening cruise.

N. Y. C. Pond Annual

More than 125 attended the annual outing and election of the New York City Blue Cross. After golf in the afternoon and dinner in the evening, the pond elected George P. Albiez, Pearl, Newark, m.l.g.; Walter Emely, Automobile Adjustment Bureau, supervisor; Walter D. Sheldon, Niagara, Newark, custodian; Robert E. Stumpf, General Adjustment Bureau, Paterson, N. J., guardian; Floyd Pickett, Home, keeper; and Thomas P. Finnegan, Corroon & Reynolds, welder.

Jack Quisenberry, John & Higgins, immediate past m.l.g., and George Albiez were named delegates to the Grand Nest.

Four Wisconsin Groups Meet, Elect Officers

BAILEY'S HARBOR, WIS.—H. L. Mauritsen, Fireman's Fund, was elected president of Wisconsin Fire Underwriters Assn., to succeed Eli Shupe, Home, at the annual meeting.

Others elected were Richard A. Kenzel, Northern Assurance, vice-president, and Paul F. Schrage, Aetna Fire, secretary-treasurer. New members of the executive committee are Mr. Shupe; J. C. Olsen, Royal-Liverpool; J. R. Losman, National Union; and C. A. Boe, Travelers Fire. Mr. Boe fills the unexpired term of Walter W. Sukow, who has been transferred to Jacksonville, Fla.

Western department officials in attendance included Ray E. Miner, vice-president Home; R. L. Blomgren, secretary Springfield F. & M.; Charles E. Dox, assistant manager London & Lancashire; Glen L. Pickens, Phoenix of Hartford.

J. H. Burlingame, assistant general manager of Western Adjustment, Chicago, discussed "Business Interruption Insurance," at a joint meeting.

Wisconsin Insurance Club held its annual meeting nearby. Albert M. Nick, Standard of New Jersey, was elected president to succeed Carl H. Roggenkamp, state agent Ohio Farmers; and William J. Meyer, Girard F. & M., succeeded to the vice-presidency. Irven I. Frey, Milwaukee, Firemen's, was again chosen secretary-treasurer.

Schrage Prevention Chief

Wisconsin Fire Prevention Assn. chose Paul F. Schrage, Aetna Fire, president to succeed Clarence Boe, Travelers Fire; Carl G. Schaefer, National Fire, vice-president; and reelected Carl Roggenkamp, Ohio Farmers, secretary-treasurer. Activities for next year will include a number of inspections of Wisconsin cities, with Wisconsin Dells scheduled on Sept. 15.

The group will also cooperate with the state fire prevention advisory committee, sponsored by the Wisconsin industrial commission, with I. F. Statz, its superintendent of fire prevention, as secretary. Ambrose T. Yehle, Superior, fire prevention chairman of Wisconsin Assn. of Insurance Agents, is chairman.

On the evening preceding the field club meetings, Wisconsin Blue Goose held its annual meeting. Elected were these new officers: J. A. Nelson, Home, most loyal gander, succeeding A. H. Larson, Fireman's Fund; Howard W. Bailey, Pacific Fire, supervisor; Lloyd Wallace, Jr., Niagara Fire, custodian; H. L. Mauritsen, Fireman's Fund, guardian; M. P. Griffin, Connecticut Fire, keeper; and Howard J. Zibble, Agricultural, welder.

Mr. Larson and Lloyd Wallace, Sr., were named delegate and alternate to the grand nest meeting at Seattle in August. A resolution passed urging the reelection of Richard Kenzel. A class of goslings was initiated, after which a general mixer was held.

Hartford Promotes Three

Hartford Accident has formed a special risks department in New York City under Joseph N. Cornell as manager and Frank M. Chandler, Jr., assistant manager. Mr. Cornell has been with the company since 1925, latterly as assistant manager of the compensation and liability department in charge of special risks. Mr. Chandler, with the company since 1944, has been assisting Mr. Cornell. James N. Glover becomes assistant manager of the compensation and liability department, where he has been located some time.

Has Fire Prevention Skit

Fire Prevention Assn. of Ohio has a skit designed to teach fire prevention in the home. It was written by the Stock Fire Insurance Speakers Assn. of Ohio for a cast of three women.

It is planned to have copies available through the Fire Prevention Assn. for use by interested organizations.

Gleanings from N.A.I.C. Parley

Joe P. Gibbs, casualty commissioner of Texas, had to turn back at Amarillo, because of illness, after starting off by motor in company with Paul Benbrook, Texas casualty actuary, for Seattle for the N.A.I.C. convention. He has had a heart ailment for some time and he suffered discomfort and got medical advice at Amarillo. Upon his return to Austin he was placed in a hospital where, it is expected, he will be required to remain for several weeks.

Insurance Director Harry B. Hershey of Illinois and Mrs. Hershey are taking an Alaskan trip following the N.A.I.C. convention. Those making the trip from Chicago to Seattle on the nine-car special train of the Milwaukee road had an enjoyable clubby 2½ days. The atmosphere resembled that of a cruise ship. Glen Hyett of the railroad, who had perfected the arrangements, escorted the group of about 100 and Mrs. Hyett served as a gracious hostess. Rollin Clark, executive vice-president of Continental Casualty and Continental Assurance, had worked out a subtle arbitrage which created a \$250 surplus that was invested in 13 handsome prizes. These were awarded in ceremonies in the diner by Chase M. Smith, general counsel of the Kemper companies, who performed with his usual rapid wit. Fred Payne of the Illinois department and his bride of a few days each earned a prize.

Jos. B. Thompson of Kansas City Life and former Missouri commissioner left the Milwaukee road special at Missoula to visit Flathead Indian Reservation at St. Ignatius, Mont. He served there in 1914-1915 with U. S. reclamation service in construction of the irrigation works.

E. H. Forkel, western manager of National Fire and president of Western Underwriters Assn.; E. H. Born, manager of W.U.A., and Floyd Hoffman of Uniform Printing & Supply Division of Courier-Citizen Co., are returning to Chicago via the Canadian route and stopping at Lake Louise.

King County Insurance Assn. was host Wednesday at a buffet dinner for officers of National Assn. of Insurance Agents and of Washington state association. President John C. Stott of N.A.I.A. presented diplomas to the King county students that completed the N.A.I.A. course. Irwin Mesher, executive secretary of the Washington association, was in charge of arrangements. Other N.A.I.A. dignitaries present were Charles P. Butler, executive vice-president; O. Shaw Johnson, Clarksdale, Miss., vice-president, and Walter Sheldon, Chicago, executive committee member.

American Automobile chartered an 85-foot boat and entertained a group of about 50 friends on a Puget Sound excursion Wednesday afternoon. Executive Vice-President Otto Patterson and Assistant Vice-president C. S. Cotsworth were on hand from the head office.

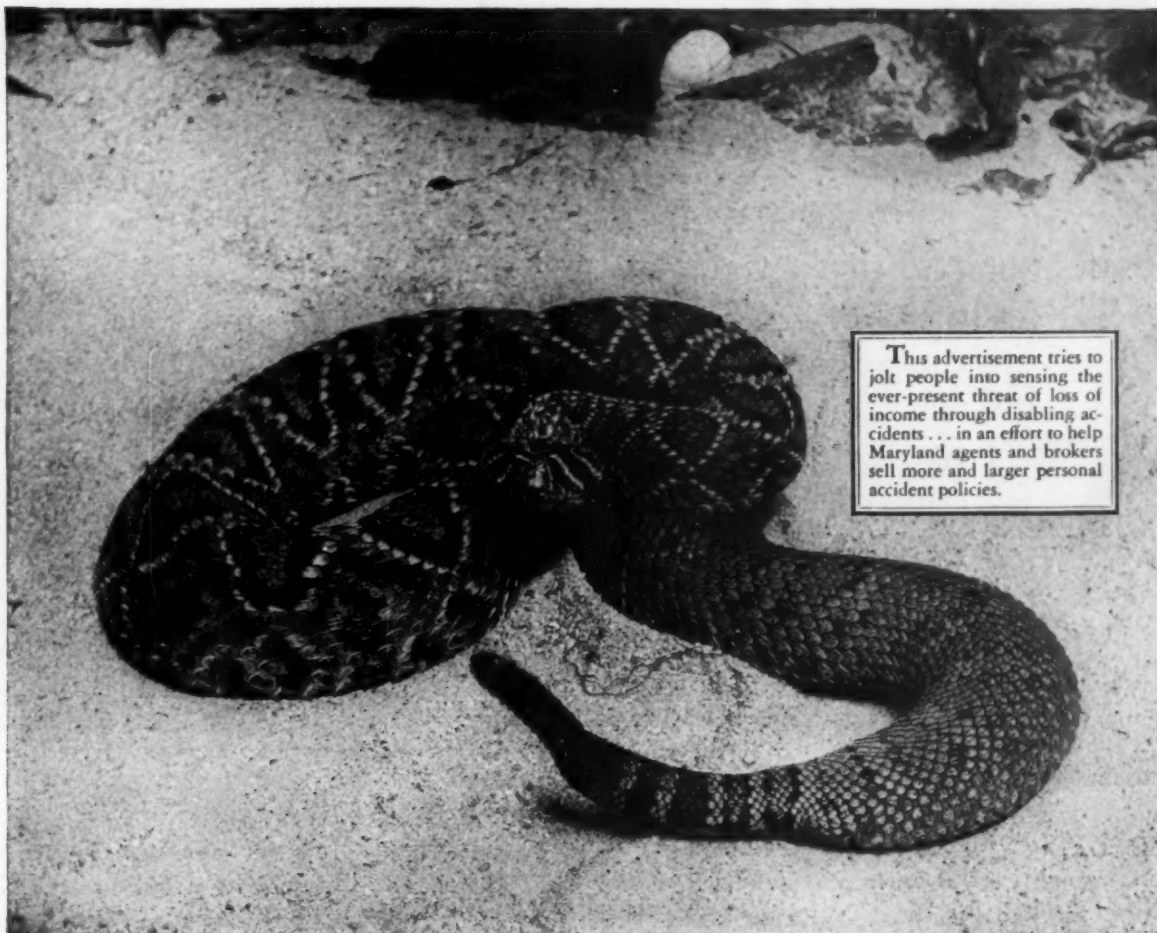
Ralph Alexander, Pennsylvania deputy commissioner, went to Seattle two weeks in advance to be with his son, H. Murray Alexander, who is special agent for Fireman's Fund Indemnity with headquarters at Seattle, and his daughter-in-law and grandson.

Oakland Assn. Makes Gift to City

A complete motion picture outfit, which included a Bell & Howell sound projector, screen and accessories, was presented by Oakland Assn. of Insurance Agents to the city's fire and police departments at the June luncheon. The project was sponsored by the public relations and fire prevention committees headed by Elbe Westfall and Donald D. Doyle.

The picture, "Chemistry of Fire," was the feature at the meeting attended by members of the association, fire and police departments, city officials and A. E. Shepperd, president of California Assn. of Insurance Agents.

"Unforeseen events . . . need not change and shape the course of man's affairs"



This advertisement tries to jolt people into sensing the ever-present threat of loss of income through disabling accidents . . . in an effort to help Maryland agents and brokers sell more and larger personal accident policies.

RATTLESNAKES ARE MORE CONSIDERATE

Even the hated rattlesnake gives you warning before it strikes. But an *accident* never does!

There's simply no way to foretell when an accident is going to lay you up, perhaps for months . . . stop your earning power . . . while household bills accumulate, medical costs mount up . . . and your financial reserves—if any—are steadily drained.

Yet it's so easy to make sure *now* of ready cash for medical expenses and a steady weekly income

. . . from the day an accident strikes to the day you're back on the job.

To be assured of this priceless peace of mind—*protection* for you and your family—simply see your Maryland agent or broker without delay. He has the experience, the skilled judgment . . . to advise you on precisely the form of accident insurance that meets your individual needs.

Remember: Because your Maryland agent knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

At the Sign of the Wren's Nest...

Famous American Homes



Home of
JOEL CHANDLER
HARRIS



The house in Atlanta where the creator of Uncle Remus lived for twenty-seven years

TWO WRENS who set up housekeeping in the mailbox gave Joel Chandler Harris's home its name. Rather than disturb the little tenants who returned each year, he once took a distinguished visitor around to the rear entrance.

The man who won world-wide renown for his Uncle Remus stories always insisted that his success was entirely accidental. The "accident" that launched his newspaper career at the age of fourteen was securing a job as printer's devil on *The Countryman*. While setting type he managed to include articles he had written and soon became an acknowledged contributor.

After his marriage he was working on a newspaper in Savannah when a yellow fever epidemic caused the population to flee. At the Atlanta hotel where he took his family he registered as "J. C. Harris, one wife, two bow-legged children, and a bilious nurse." His humor was so cheering to the panic-stricken guests that the hotel refused to render a bill.



The Tar Baby story is perhaps the best loved

Harris and his family remained in Atlanta and in 1876 he went to work for the *Constitution* where another "accident" occurred. When a staff writer left, his column was assigned to Harris who introduced Uncle Remus, a character of his own invention. The result was a long succession of Uncle Remus fables and songs which were published in book form and to the modest author's amazement, received with wide enthusiasm.

With his profits Harris was able to enlarge the Wren's Nest where he had brought his increasing family some years earlier, but despite his fame he never abandoned his simple habits. Painfully shy and sensitive, Harris was uneasy with strangers, yet his kindness and sense of humor made him beloved. He shunned publicity and when making an appearance with his good friend Mark Twain was too bashful to read his stories aloud. With great difficulty he was per-



Uncle Remus was a composite of several real persons

sued to visit President Theodore Roosevelt who later wrote, "All of our family agreed that we had never received in the White House a pleasanter friend or a man whom we were more delighted to honor."

As a youth, Harris worked in New Orleans for a time but homesickness for Georgia drove him back and he never again left for more than a brief stay.

The Wren's Nest where Joel Chandler Harris lived until his death is today maintained by the Uncle Remus Memorial Association.

★ ★ ★

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